

**Project Report (17MBAPR407)
ON**

**“A STUDY ON COMPARATIVE ANALYSIS OF MUTUAL FUNDS AND
EQUITY SHARES AT SBI MUTUAL FUNDS, BANGALORE”**

By

**SHWETHA K N
1AY17MBA50
Submitted to**

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



In partial fulfillment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION
Under the guidance of

**INTERNAL GUIDE
Ms. Mahak Balani
Assistant Professor
Dept of MBA, AIT**

**EXTERNAL GUIDE
Mr. Suhas Prabhakar
Chief Manager
SBI AMC**



**Department of MBA
Acharya Institute of technology, Soldevanahalli,
Hesaragatta Main Road, Bengaluru**

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Date: 12-04-2019

CERTIFICATE

This is to certify that Ms. Shwetha KN (USN 1AY17MBA50), of Acharya Institute of Technology studying in Master of Business Administration course, affiliated to Visvesvaraya Technological University, BATCH 2017- 19 has successfully undergone project on "**A Study on Comparative Analysis of Mutual Funds and Equity Shares at SBI Mutual Funds, Bengaluru**" in our organisation from 3rd January 2019 to 16th February 2019

We wish her all the best in his future endeavours

For SBI Funds Management Pvt Ltd



Suhas Prabhakar

Chief Manager, Bangalore



Trustee : SBI Mutual Fund Trustee Company Private Limited (CIN:U65991MH2003PTC138496)

9th Floor, Crescenzo, C-38 & 39, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Tel. +91 22 61793000 | Fax +91 22 67425687-91 | Website : www.sbimf.com



ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 04/04/2019

CERTIFICATE

This is to certify that **Ms. Shwetha KN** bearing USN **1AY17MBA50** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Comparative Analysis of Mutual Funds and Equity Shares at SBI Mutual Funds, Bengaluru**” is prepared by her under the guidance of **Prof. Mahak Balani**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of HOD

Head of the Department
Department of MBA

Acharya Institute of Technology
Soladevanahalli, Bangalore-560 107.

12.04.19

Signature of Principal/Dean Academics

Dr. Devarajaiah R.M.
Dean-Academics
ACHARYA INSTITUTE OF TECHNOLOGY
Bengaluru-107.

DECLARATION

I, **SHWETHA K N**, hereby declare that the Project report entitled “**Comparative Analysis of Mutual Fund and Equity Shares**” at **SBI Mutual Funds, Bangalore**, prepared by me under the guidance of **Assistant professor Mahak Balani**, faculty of M.B.A Department, Acharya institute of technology and external assistance by **Mr. Suhas Prabhakar, Chief Manager, SBI Mutual Funds Bangalore**. I also declare that this Project work is towards the partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of Twelve weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: Bangalore

Date 12/4/2019.



Signature of the student

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I wish to express my sincere thanks to our respected Principal, **Dr. Prakash M R**, beloved Dean-Academics, **Dr. Devarajaiah R M**, and deep sense of gratitude to **Dr. M M Bagali**, HOD, Acharya Institute of Technology, Bengaluru for their kind support and encouragement in completion of the Internship Report.

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Finally, I express my sincere thanks to my Parents, Friends and all the Staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

Place: Bengaluru

Shwetha K N

Date:

USN:1AY17MBA5

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EXECUTIVE SUMMARY

One of the major aspects to be considered in the investment in recent days is speculations. Speculations are harmful in its nature and before utilizing the resources in the potential outcomes of a venture the speculators have to go through few of the factors. The main goal of comparing the value imparts and the store plans that are shared is to bring out the potentials of common assets with their benchmarks by using returns, beta and alpha as important parameters.

To calculate the risk return, alpha and beta the facts used were actual. The tests has been done on percentage value technique for respective equity shares and mutual fund structures. Relay on the equities mutual funds are unsafe with the constant returns and the mutual funds gives an investor an expanded portfolio.

This study monitors the new investor who invests in the mutual fund schemes and equity by providing them the information to measure the risk and return of a particular scheme. Compared to mutual funds, equity shares earn more returns but they both are risky in equal proportion for the investors to invest. Investors can opt for the mutual funds in which less risk will be included. This study assists the investors in gaining the insight to Equity shares and Mutual funds, also their risk and return ways in the growing market.

CHAPTER -1

INTRODUCTION

To work in SBI Mutual Fund Company was a great opportunity. Internships provide an excellent understanding to those who lack the applicable information and an ability to decide their special career field. The knowledge that is gained in the educational institution is practically put in the organization by relating the learnt concepts with different practices and processes in the company.

Internship is an effective way to start the career with all the practical learning things in the organization. Sufficient time is required to do the regular work through a repetitive and gained value knowledge and skills. Hence the Internship helps a student in gaining knowledge and in the creation of special contests though there are many ways to prepare in getting a job in their desired field after their studies. Finally it was a great experience in learning the operational efficiency and the financial performance under the leadership of one of the best management with relevant knowledge in SBI Mutual Funds company.

1.1 INDUSTRY PROFILE AND COMPANY PROFILE

INDUSTRY PROFILE

Securities trades concentrate on business focus where the buying and offering of the stocks takes place by the monetary experts. Demand and Supply of the shares is controlled by the market powers. A stock trade is an open market where the trading of the stock and backups at an decided regard and these are the stocks recorded in the exchange board. In October 2008, the degree of the world of securities trade was surveyed at \$36.6 trillion USD. The primary hotspot for the association to gather the pledges is achieved through the championship of stock trade. This improves the associations to be exchanged in an open market or raise the additional capital for the beginning of offering offers of proprietorship of the association in the open market. Literally, Stock trade is regularly seen as the basic marker of a country and its financial quality and headway towards its expansion. For instance Rising offer expenses is linked to be connected with improved business.

STOCK EXCHANGE

A stock exchange is the provider which offers trading, workplace to the merchants and agencies to trade with the stocks and distinctive securities. A stock exchange is dealt with business focus, either with association or normal connection by which people form the association aggregate to trade in the diverse securities. Moreover stock exchanges provide workplaces for the issuing of securities their improvement, adding to it the cash related instruments and capital aspects including the part of pay and its benefits are considered. Shares offered by associations, unit trusts, subordinates shared theory and bonds are included in the stock exchange that trades the securities. A record must be put into the particular stock exchange in order to have the ability to trade out. So, basically it is a central zone for the recordkeeping although the trade is relatively less associated with that of the physical place, as the present markets are framework of electronics which helps them in speed and the cost of the trade.

SECURITIES AND EXCHANGE BOARD OF INDIA-(SEBI)

The Securities and Exchange Board of India (SEBI) was established on 12th of April in 1988 as a non-statutory body through an administrative resolution of the Government to manage and control all the issues associated with the trading and control of the securities market and speculator insurance and to prompt legislature in each every issues. SEBI was given the authority and statutory status and powers through a law on January 30th in 1992. SEBI was held as statutory body on 21st Feb in 1992. The law was supported by an act of Parliament n 4th of April 1992. The goals of SEBI was cherished by the SEBI act 1992, they are

- To withheld and ensure the financial specialists in securities notice with an enthusiasm.
- To advance the growth of the securities and to control their trade.

OBJECTIVES OF SEBI

1. To protect the interests of the investors in the securities.
2. To promote the development of securities market.
3. To regulate and control the securities market.

STOCK EXCHANGES IN INDIA

1. Bombay Stock Exchange (BSE).
2. National Stock Exchange (NSE).

BOMBAY STOCK EXCHANGE (BSE)

It was setup as 'The Native Share and Stock Brokers Association' in 1875. BSE is the world's no1 exchange in the amount of the recorded associations and holds world's fifth place in return numbers. Deutsche Borse and Singapore Exchange are the key associations of BSE. The BSE record, SENSEX is India's first securities trade document. BSE Sensex is a regard weighted record that is made out of 30other stocks. SENSEX is termed by using the Free float market capitalization system. Sensex is estimated in prediction. The BSE was transformed from the open protest system to screen based structure in the year 1995 as BOLT which is the BSE on Line Trading.

NATIONAL STOCK EXCHANGE

NSE was built up in 1994. It is a national electronic trade. It has two portions: The capital market fragment and the entire deal obligation market. The capital market fragment covers values, convertible debentures and retail exchange non-convertible debentures. The entire deal obligation is a business opportunity for high esteem exchanges in Government securities, business papers and the other instruments. NSE is the basic principle trade on the planet to use the satellite innovation. The satellite connection is called as VSAT. All the exchanges in NSE are assured by the national securities clearing company.

COMPANY PROFILE

SBI Mutual Fund

SBI Mutual Fund (SBI MF) is one of the largest mutual funds in the country having the 4.6millions of base. With more than 20years of in the funds management, SBI Mutual Funds brings its expertise and its fame in consistent delivery value for its investors.

SBI Mutual Fund is the India's huge bank sponsored mutual fund and has an enviable track record in the investments and has consistently created a wealth creation. SBI Mutual funds

has grown rapidly from its beginning and in recent days it is in the top position. SBI Mutual Fund is a joint venture of State Bank of India and the General Asset Management, which is the most leading fund management company that manages over US \$500billions in worldwide.

History of SBI Mutual Funds

- SBI Mutual Funds was constituted on 29th June in 1987, and was incorporated on 7thFeb in 1992. It is the outcome of SBI and Society General Asset Management of France. It is a bank sponsored mutual fund and has a base of 3.5 millions of investors. Over a years it has carved a niche for itself through prudent investment decisions and has consistently created a wealth creation for its customers, Debt fund holders etc.
- The assets under the management were Rs.33727Crores as on June 30th-2010.
- Investment Yogi analyses the best performing SBI mutual fund in the balanced fund, equity fund and equity linked savings scheme(ELSS) categories.

A SBI mutual fund operates and offers many kinds of products such as growth based, income based and also the balanced funds. It has a worldwide portfolio of the products that even meet the need of different kinds of investors.

The asset value under the management as of Dec-2018 is 2, 64, 353crores.

1.2 PROMOTERS OF THE COMPANY

Shri Ashwani Bhatia- Managing Director & CEO.

Mr. Binod Kumar Mishra- COO.

Nicolas Simon- Deputy CEO.

Mr.Rahul Mayor- Investors Relations Officer.

Ms. Vinaya Data- Compliance & Company Secretary.

1.3 VISION,MISSION AND QUALITY POLICY

VISION:

“To be the most preferred and the largest fund house for all asset classes, with a consistent track record of excellent returns and best standards in customer service, product innovation, technology and HR practices”.

MISSION:

“Our mission has been to establish Mutual Funds as a viable investment option to the masses in the country”.

QUALITY POLICY:

- Fair to all the investors, share partners and the employees.
- Focuses on growth, assets of company stakeholders, reputation and its capital.

1.4 PRODUCTS AND SERVICES

The company provides many mutual fund products to the investors to invest. They are mainly classified into:

- i. Equity
- ii. Hybrid
- iii. Debt

EQUITY

Equity funds are those which are invested in the Stock. These funds aim to grow faster than money market or fixed income funds, so there is usually a higher risk and chances of lose money are high.

Investors can choose from different types of equity funds such as:

SBI Blue Chip Fund

Investment objective: To provide investors with opportunities for long-term growth in capital through an active management of investments in a diversified basket of large cap equity stocks

Investment Strategy: The scheme follows a blend of growth and value style of investing. The scheme will follow a combination of top down and bottom-up approach to stock-picking and choose companies across sectors.

SBI Magnum Equity ESG Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital through an active management of investments in a diversified basket of companies following Environmental, Social and Governance (ESG) criteria

Investment Strategy: The scheme is likely to have a comprehensive check list across parameters from Governance, Social & Environmental aspects of the company's management of its affairs. The endeavour would be to overlay 'ESG Framework' in order to delve deeper into a company's management practices, culture and risk profile which would thereby help us in understanding the impact on long term shareholders.

SBI Magnum Multi cap Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital along with the liquidity of an open ended scheme through an active management of investments in a diversified basket of equity stocks spanning the entire market capitalization* spectrum and in debt and money market instruments.

Investment Strategy: The scheme will follow a bottom-up approach to stock-picking and choose companies across sectors/styles.

SBI Contra Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in a diversified portfolio of equity and equity related securities following a contrarian investment strategy.

Investment Strategy: The fund will follow a combination of top-down and bottom-up approach to stock-picking

SBI Large & Midcap Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in diversified portfolio comprising predominantly large cap and mid cap companies.

Investment Strategy: The scheme follows a blend of growth and value style of investing. The fund will follow a combination of top down and bottom-up approach to stock-picking and choose companies across sectors.

SBI Focused Equity Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in a concentrated portfolio of equity and equity related securities.

Investment Strategy: The fund will follow a bottom-up approach to stock-picking and invest in companies across market capitalization and sectors. The fund will take high conviction bets and the total number of securities would be equal to or under 30.

SBI Magnum Mid Cap Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital along with the liquidity of an open ended scheme by investing predominantly in a well-diversified basket of equity stocks of midcap companies.

Investment Strategy: The scheme follows a blend of growth and value style of investing. The fund will follow a bottom-up approach to stock-picking and choose companies across sectors.

SBI Magnum Global Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in diversified portfolio comprising primarily of MNC companies

Investment Strategy: The fund will follow a bottom-up approach to stock-picking and choose companies across sectors/market capitalization which fall under the criteria of MNC.

MNC Companies will be those:

1. Major Shareholding is by foreign entity
2. Indian companies having over 50% turnover from regions outside India
3. Foreign listed Companies

SBI Small Cap Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital along with the liquidity of an open-ended scheme by investing predominantly in a well diversified basket of equity stocks of small cap companies.

Investment Strategy: The scheme follows a blend of growth and value style of investing. The scheme will follow a bottom-up approach to stock-picking and choose companies within the small cap space.

SBI Healthcare Opportunities Fund

Investment Objective: To provide the investors with the opportunity of long term capital appreciation by investing in a diversified portfolio of equity and equity related securities in Healthcare space.

Investment Strategy: The fund will follow a bottom-up approach to stock-picking and choose companies within the healthcare space.

SBI Banking and Financial Services Fund

Investment Objective: The investment objective of the scheme is to generate long-term capital appreciation to unit holders from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in banking and financial services.

Investment Strategy: The portfolio manager will adopt an active management style to optimize returns. The scheme would invest in Banks as well as Non-banking Financial Services companies, Insurance companies, Rating agencies, Broking companies, Microfinance companies, Housing Finance, Wealth Management, Stock/ commodities exchange etc

SBI PSU Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital along with the liquidity of an open-ended scheme through an active management of investments in a diversified basket of equity stocks of domestic Public Sector Undertakings (and their subsidiaries) and in debt and money market instruments issued by PSUs and others.

Investment Strategy: The primary strategy of the scheme would be to invest in the stocks of the PSU companies and their subsidiaries.

SBI Magnum Comma Fund

Investment Objective: To generate opportunities for growth along with possibility of consistent returns by investing predominantly in a portfolio of stocks of companies engaged in the commodity and commodity related businesses.

Investment Strategy: The scheme would at all times have an exposure of at least 80% of its investments in stocks of companies engaged in the commodity and commodity related businesses (derived from commodities). The scheme would invest in companies providing inputs to commodity manufacturing companies.

SBI Infrastructure Fund

Investment Objective: To provide investors with opportunities for long-term growth in capital through an active management of investments in a diversified basket of equity stocks of companies directly or indirectly involved in the infrastructure growth of the Indian economy and in debt & money market instruments.

Investment Strategy: The scheme will be positioned as sectoral fund and not as a diversified equity fund. The scheme will invest in companies engaged in infrastructure and Infrastructure allied activities.

SBI Consumption Opportunities Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in a diversified portfolio of equity and equity related securities in Consumption space.

Investment Strategy: The fund will follow a bottom-up approach to stock-picking and choose companies within the Consumption space.

SBI Technology Opportunities Fund

Investment Objective: To provide the investor with the opportunity of long term capital appreciation by investing in a diversified portfolio of equity and equity related securities in technology and technology related companies.

Investment Strategy: The fund will follow a bottom-up approach to stock-picking and choose companies which are expected to derive benefit from development, use and advancement of technology

HYBRID

Hybrid Funds – which invest in equity and debt- are increasingly seen as an alternative for investors to diversify risk. These funds can ensure steady income for investors from debt component and facilitate capital appreciation from the equity side. As such, equity tends to be more volatile than debt; hence having mixed exposure is advisable as these assets share a low correlation. These are also known as Balanced Funds or asset allocation funds. The company provides following products under Hybrid Funds:

SBI Equity Hybrid Fund

To provide investors long term capital appreciation along with the liquidity of an open-ended scheme by investing in a mix of debt and equity. The scheme will invest in a diversified portfolio of equities of high growth companies and balance the risk through investing the rest in fixed income securities

SBI Dynamic Asset Allocation Fund

Investment Objective: To provide investors with an opportunity to invest in a portfolio which is a mix of equity and equity related securities and fixed income instruments. The allocation between fixed income and equity instruments will be managed dynamically so as to provide investors with long term capital appreciation.

Investment Strategy: SBI Dynamic Asset Allocation Fund endeavours to meet the objective of this fund mainly from asset allocation between asset classes. This approach will help reduce the risk of tracking the individual asset classes. The Scheme will allocate higher weight to the asset class that is relatively favourable under the prevailing market and economic conditions.

SBI Debt Hybrid Fund

Investment Objective: To provide the investors an opportunity to invest primarily in debt and money market instruments and secondarily in equity and equity related instruments.

Investment Strategy: Investments under the fund will be a mix of debt, equity & money market instruments. Debt instruments will be invested based on evaluation of macro-economic factors, market dynamics and issuer specific factors. Maximum exposure to equities is capped at 25% in this scheme.

SBI Multi Asset Allocation Fund

Investment Objective: To provide the investors an opportunity to invest in an actively managed portfolio of multiple asset classes.

Investment Strategy: Investments under the fund will be predominantly in a mix of debt, equity & commodity instruments (as permitted by SEBI from time to

time). Debt instruments will be invested based on evaluation of macro-economic factors, market dynamics and issuer specific factors

SBI Magnum Children's Benefit Fund

Investment Objective: To provide the investors an opportunity to earn regular income predominantly through investment in debt and money market instruments and capital appreciation through an actively managed equity portfolio.

Investment Strategy: The proportion of the scheme portfolio invested in each type of security will vary in accordance with economic conditions, interest rates, liquidity and other relevant considerations, including the risks associated with each investment. The scheme intends to invest upto 25% of the corpus in equity and equity related instruments.

SBI Equity Savings Fund

Investment Objective: The investment objective of the scheme is to generate income by investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and capital appreciation through a moderate exposure in equity.

Investment Strategy: The net assets of the Scheme are invested primarily into equity and equity related instruments including equity derivatives. The Scheme invests rest of the assets into debt and money market instruments for liquidity and regular income.

SBI Arbitrage Opportunities Fund

Investment Objective: To provide capital appreciation and regular income for unit holders by identifying profitable arbitrage opportunities between the spot and derivative market segments as also through investment of surplus cash in debt and money market instruments.

Investment Strategy: Market neutral trading strategy. Arbitrage opportunities arise due to market inefficiencies. Fund seeks to exploit such inefficiencies that will manifest as mis – pricing in cash (stock) and derivative markets.

DEBT

These funds are invested in the debts like government bonds, company debentures, and fixed income asset. As they provide fixed return, they are also known to be a safe investment instrument.

SBI Magnum Gilt Fund

Investment Objective: To provide returns to the investors generated through investments in Government securities issued by the Central Government and/or State Government.

Investment Strategy: Investment in Central and/or State Government securities are considered to be free of credit risk. However the aim of the portfolio will be to make capital gains by actively managing interest rate risk.

SBI Magnum Income Fund

Investment Objective: To provide investors an opportunity to generate regular income through investments in debt and money market instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years.

Investment Strategy: The scheme will invest based on a continuous evaluation of macro-economic factors, market dynamics and debt-issuer specific factors. The scheme will invest its corpus in the entire range of debt and money market securities in line with the investment objective to provide attractive risk-adjusted returns to its investors through active management of credit risk and interest rate risk in its portfolio.

SBI Dynamic Bond Fund

Investment Objective: To provide investors attractive returns through investment in an actively managed portfolio of high quality debt securities of varying maturities.

Investment Strategy: The investment strategy of the Scheme would be to allocate fund corpus across debt securities including Central and State Government securities, debt derivatives and money market instruments of various maturities on the basis of the expected interest rate scenario. Since the interest rates can be volatile at times, the fund will always endeavour to invest in highly liquid debt and money market instruments. The fund will follow an active duration management strategy as a result of which the portfolio turnover could be high.

SBI Credit Risk Fund

Investment Objective: To provide the investors an opportunity to predominantly invest in corporate bonds rated AA and below (excluding AA+ rated corporate bonds) so as to generate attractive returns while maintaining moderate liquidity in the portfolio through investment in money market securities.

Investment Strategy: The scheme aims to generate attractive returns through high-yielding corporate debt securities which are rated below the highest rating. The fund will follow an active credit management strategy.

SBI Magnum Medium Duration Fund

Investment Objective: To provide investors an opportunity to generate attractive returns with moderate degree of liquidity through investments in debt and money market instruments such that the Macaulay duration of the portfolio is between 3 years – 4 years.

Investment Strategy: The scheme will invest its corpus in the entire range of debt and money market securities in line with the investment objective to provide attractive risk-adjusted returns to its investors through active management of credit risk and interest rate risk in its portfolio.

SBI Short Term Debt Fund

Investment Objective: To provide investors an opportunity to generate regular income through investments in a portfolio comprising predominantly of debt instruments which are rated not below investment grade and money market instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years.

Investment Strategy: The scheme will invest based on a continuous evaluation of macro-economic factors, market dynamics and debt-issuer specific factors. The scheme will invest its corpus in the entire range of debt and money market securities in line with the investment objective to provide attractive risk-adjusted returns to its investors through active management of credit risk and interest rate risk in its portfolio.

SBI Magnum Constant Maturity Fund

Investment Objective: To provide returns to the investors generated through investments predominantly in Government securities issued by the Central Government and/or State Government such that the Average Maturity of the portfolio is around 10 years.

Investment Strategy: Investment in Central and/or State Government securities are considered to be free of credit risk. However the aim of the portfolio will be to make capital gains by actively managing interest rate risk.

SBI Magnum Low Duration Fund

Investment Objective: To provide investors an opportunity to generate regular income with reasonable degree of liquidity through investments in debt and money market instruments in such a manner that the Macaulay duration of the portfolio is between 6 months and 12 months.

Investment Strategy: The scheme will invest its corpus in the entire range of debt and money market securities in line with the investment objective to provide

attractive risk-adjusted returns to its investors through active management of credit risk and interest rate risk in its portfolio.

SBI Savings Fund

Investment Objective: To provide the investors an opportunity to invest in money market instruments.

Investment Strategy: An open ended debt scheme investing in money market instruments as defined by SEBI / RBI from time to time. The investment strategy would be towards generating stable returns through a portfolio of Money Market instruments seeking to capture the term and credit spreads.

SBI Banking and PSU Fund

Investment Objective: The scheme seeks to generate regular income through a judicious mix of portfolio comprising predominantly debt and money market securities of Banks, Public Sector Undertakings, Public Financial Institutions and Municipal bodies.

Investment Strategy: An open-ended debt scheme predominantly investing in debt & money market securities issued by Banks, Public Sector Undertakings, Public Financial Institutions and Municipal bodies.

SBI Liquid Fund

Investment Objective: To provide the investors an opportunity to invest in the entire range of debt and money market securities with residual maturity upto 91 days only.

Investment Strategy: The scheme will invest in the entire range of debt and money market instruments in line with the investment objective to provide attractive risk-adjusted returns to its investors while maintaining a high degree of liquidity to the investments.

SBI Magnum Ultra Short Duration Fund

Investment Objective: To provide investors with an opportunity to generate regular income with high degree of liquidity through investments in a portfolio comprising predominantly of debt and money market instruments.

Investment Strategy: An open ended ultra-short duration debt scheme investing in instruments such that the Macaulay duration of Portfolio is between 3 months and 6 months. The scheme will invest its corpus in the entire range of debt and money market securities in line with the investment objective to provide attractive risk-adjusted returns to its investors through active management of credit risk and interest rate risk in its portfolio.

SBI Overnight Fund

Investment Objective: To provide the investors an opportunity to invest in overnight securities maturing on the next business day.

Investment Strategy: The Fund will invest in overnight securities to generate returns corresponding to the overnight rates in the money markets.

1.5 AREA OF OPERATION

SBI Mutual Funds was established in the year 1987, it has its operations all over India. Its headquarter is located in Mumbai, Its other branches are:

- i. Ahmedabad
- ii. Bangalore
- iii. Chennai
- iv. Delhi
- v. Jaipur
- vi. Hyderabad
- vii. Kolkata
- viii. Noida
- ix. Nagpur

- x. Kochi
- xi. Mumbai

1.6 INFRASTRUCTURE FACILITY

The company provides all the basic facilities to its employees welfare:

Canteen Facilities: it is equipped with a canteen in the bank that supplies tea, snacks and the meal coupons to all the employees and it works all time.

First Aid: It is subsidized with all medical equipment needed for the First Aid.

Locker Facility: Individual locker facility is given to the employees in their belonging departments.

1.7 COMPETITORS

1. Birla Sun life Asset Management company Ltd.
2. HDFC Asset Management company Ltd.
3. ICICI Prudential Asset Management company Ltd.
4. IDBI Asset Management Ltd.
5. Reliance Capital Asset Management Ltd.
6. AXIS Asset Management company Ltd.
7. Sundaram Asset Management company Ltd.

1.8 SWOT ANALYSIS

1.Strength:

- SBI is the biggest bank in India with more than 14000 branches.
- State Bank of India has a separate act for itself. Thus, a special privilege for the bank.
- First public sector to move to CBS.
- SBI has close to 3,00,000 people employed with it.

2.Weaknesses:

- Immense competition means limited market share growth for SBI.
- International presence is less as compared to global banks.

3.Opportunities:

- Pool in talent to replace the going top management to serve the next generation.
- State Bank of India can make better use of CRM, technology and online space.
- Expansion into rural areas too boosts its business.

4.Threats:

- Consolidation among private banks can reduce market share for SBI.
- New bank licenses by RBI can affect operations.
- Foreign banks that have sophisticated products.
- SBI operations are often disrupted by slow government decision and red tapism.

1.9 FUTURE GROWTH AND PROSPECTS

In recent days of competition, the company goes forward to achieve the best of customer satisfaction, the company moves ahead to provide diversified, specified and customized products and services to their customers.

In this leading and developing economy the financial specialists must have to look into their past ranges of familiarity and originate from those startling spots.

With the increased requirement and needs of the customers and the developed financial products awareness, financial specialists have to grab and utilize the great opportunities they have from direct and the reference modules to add up the no of clients and also satisfy the existing customers. Due to the benefits occurred from the investments in mutual funds, SBI has gained popularity in the growing Indian market.

1.10 ANALYSIS OF FINANCIAL STATEMENTS

Table 1.1 Balance Sheet (in lacks)

| Years | 2017 | 2018 |
|---------------------------------|------------------|--------------------|
| Equity and Liabilities | | |
| Shareholder's funds | | |
| a) Share Capital | 5000.00 | 5,000.00 |
| b) Reserves and Surplus | 72097.84 | 96,880.39 |
| | 77.097.84 | 1,01,880.39 |
| Non-current liabilities | | |
| a) Deferred tax liabilities | 41.46 | - |
| b) Other long term liabilities | 8.44 | - |
| c) Long term provisions | 956.66 | 3,662.70 |
| | 1006.56 | 3,662.70 |
| | | |
| Current liabilities | | |
| a) Trade payables | 6967.71 | 9,891.28 |
| b) Other current liabilities | 161.27 | 344.78 |
| c) Short term provisions | 13271.16 | 13,317.06 |
| | 20400.14 | 23,553.12 |
| Total | 98504.54 | 1,29,096.21 |
| Assets | | |
| Non-current assets | | |
| a) Fixed assets | 17876.85 | 17732.07 |
| b) Non- current investments | 24827.05 | 27597.78 |
| c) Deferred tax assets | - | 738.32 |
| d) Long term loans and advances | 6757.36 | 11331.83 |
| e) Other non-current assets | 574.73 | 293.87 |
| | 50035.99 | 57693.87 |
| | | |
| Current assets | | |
| a) Current investments | 24873.82 | 33450.00 |

| | | |
|----------------------------------|-----------------|------------------|
| b) Trade receivables | 2338.54 | 9982.86 |
| c) Cash and bank balances | 8570.07 | 7390.99 |
| d) Short term loans and advances | 12577.15 | 20253.15 |
| e) Other current assets | 108.97 | 325.34 |
| | 48468.55 | 71402.34 |
| Total | 98504.54 | 129096.21 |

Table 1.2 Statement of Profit and Loss

| Particulars | 2017 | 2018 |
|---|-----------------|------------------|
| Revenue from operations | 73634.17 | 123672.64 |
| Other income | 4153.29 | 3529.58 |
| Total revenue | 77787.46 | 127202.22 |
| | | |
| Expenses | | |
| Employee benefits expense | 13328.12 | 15984.94 |
| Depreciation and amortization expense | 1260.74 | 1503.19 |
| Other expenses | 30209.01 | 59391.68 |
| Total expenses | 44797.87 | 76879.81 |
| Profit before tax | 32989.59 | 50322.41 |
| Tax expense | | |
| Current tax | 10575.00 | 18250.00 |
| Deferred tax | (1111.62) | (779.78) |
| Adjustment of tax relating to earlier periods | 1094.35 | (251.12) |
| Net profit after tax | 22431.86 | 33103.31 |

RATIO ANALYSIS

Proportion to comprehend the money related explanations with the goal that the quality and resolved. The term proportion examination is a generally utilized apparatus of shortcoming of a firm and also its authentic execution and current budgetary condition can be money related investigation. It is characterized as he orderly utilization of refers to the numerical or quantitative connection between two factors.

CURRENT RATIO:

Current proportion might be positive as the association among current resources and current risk. It is a measure of general liquidity and its most broadly used to make the investigation for the liquidity of the firm.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Table 1.3 Showing current ratio

| YEAR | CURRENT ASSET | CURRENT LIABILITY | CURRENT RATIO |
|-------------|----------------------|--------------------------|----------------------|
| 2017 | 48468.55 | 20400.14 | 2.37 |
| 2018 | 71402.34 | 23553.12 | 3.03 |

Interpretation:

The current assets during 2017 as well as 2018 are found to be greater than the current liabilities. Since, the current ratio during 2017 and 2018 are more than 1.0, it is considered to be more ideal situation to be in. Hence, it can be interpreted that the company is having potential to pay off its liabilities.

CASH RATIO:

Cash is a liquidity extent that ascertains an affinity's ability to pay off the present liabilities with the cash and its partners. Cash is considered to be the guarantee for the credit supervisory.

$$\text{Cash ratio} = \frac{\text{Cash and the cash equivalent}}{\text{Total current Liability}}$$

Table 1.4 Showing Cash Ratio

| YEAR | CASH | CURRENT LIABILITY | CASH RATIO |
|-------------|-------------|--------------------------|-------------------|
| 2017 | 678.97 | 20400.14 | 0.03 |
| 2018 | 390.99 | 23553.12 | 0.02 |

Interpretation:

From the above cash ratio, it can be interpreted that the cash ratio is not ideal in 2017 as well as 2018. Since the cash ratio is below 1.0, it gives a clear signal that the cash and cash equivalents of the company cannot be covered to pay off the current liabilities

NET PROFIT RATIO

The undertakings of the businesses are estimated with the effectiveness of the proportion. The high ratio specifies the efficient administration of the financial affairs of the business.

$$\text{Net Profit} = \frac{\text{Net Profit after Tax}}{\text{Net Sales}}$$

Table 1.5 Showing Net profit, Sales and Ratio

| YEAR | NET PROFIT | SALES | RATIO |
|------|------------|-----------|-------|
| 2017 | 22431.86 | 73634.17 | 0.30 |
| 2018 | 33103.31 | 123672.64 | 0.27 |

Interpretation:

The higher net profit ratio indicates the efficient management of the affairs of the company. The net profit ratio in the year 2017 is higher i.e., 0.30 compared to 2018 which is just 0.27. It can be interpreted that the net profit still needs to be worked out above the standard ratio.

FIXED ASSET TURNOVER RATIO

The proportion is a capacity extent that measures an association's entry on their interest for property, plant, and equipment by differentiating net arrangements and the settled assets. It learns how gainfully association is making and manages machines and equipment.

$$\text{Fixed assets turnover ratio} = \frac{\text{Net Sales}}{\text{Fixed Assets}}$$

Table 1.6 Showing Net sales, Fixed assets and ratio

| YEAR | NET SALES | FIXED ASSETS | RATIO |
|-------------|------------------|---------------------|--------------|
| 2017 | 73634.17 | 17876.85 | 4.12 |
| 2018 | 123672.64 | 17732.07 | 6.97 |

Interpretation:

The higher turnover indicates that the fixed assets are being utilized effectively and large amount of sales generated using these assets. The fixed assets turnover ratio in the year 2018 is 6.97 compared to 4.12 during 2017. Hence, it can be interpreted that during 2018 the company is able to utilize the fixed assets fully and efficiently compared to 2017.

CURRENT ASSET TURNOVER RATIO

The proportion measure's ability to make bargains from its favorable position by differentiating net arrangements and the total assets. By the day's end this extent demonstrates how profitably an association can use its asset for make bargains.

$$\text{Assets Turnover Ratio} = \frac{\text{Net Sales}}{\text{Current Assets}}$$

Table 1.7 Showing net sales, current ratio and ratios

| YEAR | NET SALES | CURRENT ASSET | RATIO |
|-------------|------------------|----------------------|--------------|
| 2017 | 73634.17 | 48468.55 | 1.52 |
| 2018 | 123672.64 | 71402.34 | 1.73 |

Interpretation:

Current assets turnover ratio is higher during 2018 i.e. 1.73 compared to 1.52 during 2017. Hence, it can be interpreted that the company is able to efficiently utilize the current assets to generate sales during 2018 compared to the year 2017.

CHAPTER-2

THEORITICAL BACKGROUND AND LITERATURE REVIEW

2.1 THEORETICAL BACKGROUND

Introducing Equity Capital and Mutual Funds:

Issuing an offer is the most important way to raise money. The support raised by the donor issue is entered as a financial lower limit for the organization's capital union. The offer is Ownership or evaluation of benefits to the organization's benefits. Offers are different types to attract different types of financial specialists.

Maturity-based schemes: Shared reserve plans can be ordered from open plans or closed plans, depending on their development period.

Open-end scheme: An open complete store or plan is something that can be registered and purchased securely. These designs have no fixed period of progress. The examiner can definitely buy and offer units at a cost that is definitely and definitely associated with Net Asset Value (NAV). An important segment of open-end design is liquidity.

Closed-end method: Close-up completion Pending or planning has a planned improvement period. 5 to 70 years The store is open for participation just in the scheduled period of the arrangement dispatch period. Money related professionals can put assets into an arrangement during a basic open issue period, starting with which they can purchase or offer units of the arrangement at the stock exchange where the units are recorded.

This study evaluates new investors investing in mutual fund schemes and equity by providing information to measure the risks and returns of a particular scheme. Equity shares earn more returns compared to mutual funds, but at the same rate as investors invest. Investors can choose mutual funds that contain less risk. The survey helps investors gain insights into stocks and mutual funds, as well as ways of risk and return in growing markets.

2.2 LITERATURE REVIEW

Gupta Ramesh (1989) has assessed the implementation of funding in India in relation to the benefits gained by planning for relative risks and restrictions. A combination of clear hazard returns has been created to assess assets across with altered hazard levels. They applied capital market lines for hazards, the association of reserve returns, and security adverts for small speculators from the perspective of a huge financial expert.

Fama (1972): This investigation led to a procedure to separate custody time because of the ability to obtain the best securities at a given level of risk from the expectations of market valuation exercises. He presented a multi-period demonstration to evaluate a period on a collective basis. He said the arrival in the portfolio was a return of choice of securities and a return to danger. The results showed that the majority of the measurements indicated indistinguishable results. Yields per unit evolved with the expected level of unpredictability and he chose this option, as stores with higher volatility were predominantly executed. Its cooperation has preserved the idea of current speculation on portfolio construction and the balance of the financial markets with more conventional assumptions of EX.

Barua and Varma (1991) evaluated the presentation of pro offers (1987-1991) using CAPM from a wide range of financial pros reasoned reasons, small examiners, and aid organizations. The trial used the ET list directly as a direct mediator of the stand. Risk adjusted execution is assessed using Sharpe, Jensen and Treynor measurements. They used the capital market line to think about danger, the return relationship of holdings from the impressions of the money related masters in a broad sense, and the security stand line for small theorists. The study, in contrast to CML, says that stores perform better than the market for minimally funded authorities and store organizations.

Shashikant Uma (1993): Basically, the importance of inference methods and shared store tasks in the Indian money market. She advertises the currency for public wealth with low returns and offers modest speculators a solid venture road to ventures here and now.

Shome (1994) saw an introduction to the common store industry from April 1993 to March 1994, using BSE Sensex as a market alternative, from a development planning perspective. Twenty-two surveys have found that, due to the 10 combine harvesters, the common return on shared assets is slightly lower than market returns. Despite the fact that the dangers of these assets were reasonably low, even though they all resulted in lower returns.

Ravi Shukla and Sandeep Singh (1997): Evaluated speculative execution of US-based global value-sharing assets. The survey showed that these assets were above global benchmarks. When the information from January 1988 to 1995 was considered, it was demonstrated that US housing value support had defeated the world's readiness as far as the gross and hazard-balanced earnings were concerned. Given the different forms of enforcement assessments,

global reserves have been shown to give higher returns during periods when advertisements for US households have not been effective. They then chose that if the financial specialists in the United States had the ability to guess the market, they could earn a lot of money by turning them into global assets amid the downturn in the housing market.

Mr. Rajeswari. T. R. Prof. VERamamurthy (2001) pointed out that the share reserve is hardly threatened by speculators, paid individuals, and other people about the factors that stimulate the choice of joint stores by retail finance professionals. The mystery of a stock exchange, which said it is a retail item intended for people, rather, by no means, never receives a reward for the stock exchange contribution. In the future, their preparation / plotting decisions will generally change as well.

RoshniJayam (2002) thought that in the future there may be a sense of appreciation for value. The agent should ensure that financial experts effectively determine their speculative goals and hazard hunger before choosing a plan where differentiated value stores are best if advertising is not certain I was thinking.

Panwar, Sharad and Dr. Madhumathi (2006) respect the second-order changes of the superior class factor show proposed by Sharpe by William and their style benchmarks. The survey found that during the January 2000-June 2005 screening period, regular resources have a positive impact on monthly revenue. . The average return or all benefits of advancement resources were solid and fundamental. In addition, ELSS funds have shown independently high swings (standard deviations) than improvements.

Dr. Rao Narayan (2007) evaluated the execution of the Indian mutual fund, Schemes, using relative execution files, chance return surveys, Treynor rates, Sharpe rates, and Jensen measures. In this survey, the medium-term debt fund made the end of September 98 to April 4, 2002 and 58 open-finish assets out of 269 companies made more than general market earnings. It was the highest performing store.

Ashok Banerjee (2008): Evaluated the comparative performance of equity mutual funds in the period from January 2007 to June 2005. The study also examined the performance invariance of these funds in terms of performance pointers. In this survey, 62 equity mutual fund samples were considered. The results of this study showed that the funds produced a

positive average return over the period. The average weekly information ratio is also positive, and funds are on track for all three performance evaluations.

Rao, DN and Rao, S. B0 (2009): 49 Adjustments and 70 Salary Assistance Risks and Returns During Recent Years (2006-2008) in Which Period the Indian Stock Exchange Was Encountered An analysis of the performance of these assets and adjustments to the execution of these assets with the market and seat confirmation files, the unforeseeable theory is that the market outweighs both the adjustment and payment subsidies over the bull market and the 3-year period While both assets expressed fatigue in India during the Bearan period declared the general view of two financial specialists and store managers tired.

Dhanalakshmi (2010): Analyzed adjusted plans for shared assets generally preferred by Indian financial experts for adjusted portfolio values and obligations. An analysis was conducted based on the 3-year average return rate, systematic risk, total risk, sharp ratio, torenio ratio, and Jensen Alpha for more than 20 schemes offered by mutual funds. The analysis shows that HDFC, mutuals, and funds are the best entertainers, and the JM money related (profit) common reserve is not an ordinary entertainer if it is estimated in addition to the hazard and return assessment terms Indicated.

Most investors of Dr. Brajesh Rawat (2013) seek only one out of their common assets. Currently, speculators are monitoring financial management they can trust, in the wake of exchanging anger that is hurting investors of a few assets. The behavior of the store's chief executive or executive can help you understand how hard the reserve is in the interests of investors. How would you advise if the reserve would probably put the investor first? Sadly, there is no litmus test. There is no proof that a reserve with a solid strategy will not fail.

RESEARCH GAP:

- Researchers have studied a large number of documents relevant to this study.
- As not found in the literature collected for this purpose, a combination of mutual funds and equity share was selected for research.
- This combination of mutual funds and equity share has not been recently researched by the author.

CHAPTER-3
RESEARCH DESIGN

3.1 STATEMENT OF THE PROBLEM

Investors step back to make the investment in the Stock market because it is exposed to more volatility. Therefore, there is a difficulty in decision making regarding the investments to be made. Moreover, ventures are harmful in nature and speculators have to examine the about few of the factors which were in the venture previously. Simultaneously, the monitoring plans to examine the values and common reserves combine in type of the hazard, return and liquidity and adding to it giving response shared support, plans between the financial specialists and the fund managers.

3.2 NEED FOR THE STUDY

The study aims in studying a comparison among Equity and Mutual funds schemes in various aspects like risk return and liquidity.

The numbers of investments growing rapidly confuse the investors in which to invest. The study is to give a perfect clarity to the investors relating to the risk that is involved in making the investment and selecting the best out of investment opportunities to help them make their goals to be met at the right time.

3.3 OBJECTIVES OF THE STUDY

- To ascertain the risk and return that are involved in mutual funds and the equity shares.
- To compare and determine the performance of mutual funds and the equity shares.

3.4 SCOPE OF THE STUDY

The study covers only the equity and mutual funds and the relationship of comparison is ascertained between its risk, return and the liquidity. This study includes five equity and five mutual funds for comparison in the study.

3.5 RESEARCH METHODOLOGY

The whole study can be called as a mere investigation. Field work and collection of essential information for exploring is not provided in the work area.

BSE being the leading trade of the India was chosen for the stocks. Basically BSE Sensex is considered to be the solid file of the stocks trading that shows the facts of day to day economic conditions. It is not possible to analyze and study all the scrip's of the list because of the time and asset requirement constraints, the examining and applying the strategies were to be considered. The tests that are randomly chosen will help to measure the population for the situation. Consequently by the stratified irregular ascertaining, five scrip's and five shared plans were chosen in the study. Month to month shared costs and the unit costs of the chosen scrip's and those units were collected from the dependable information.

TOOLS USED FOR THE STUDY

- **Average Returns**
- **Standard deviation**
- **Beta**
- **Alpha**
- **Co-efficient of Correlation**

Average Returns: It is the change between the current price and the previous price.

Standard Deviation: It is a measure of the value of a variable around its mean. Variability in returns includes both systematic and non-systematic risks. $SD = \sqrt{\frac{\sum (R_i - R_{mean})^2}{N-1}}$

Beta: Beta is also referred to the relative instability of money-related diversity and connections, and the potential impact of a benefit on the return to market, its potential for non-discrimination, its accuracy, or its market hazards. It can be mentioned as a measure of

$$\beta = \frac{N \sum R_x y - (\sum R_x * \sum R_y)}{N \sum R_x^2 - (\sum R_x)^2}$$

Alpha: alpha is a hazard balanced statement, a hazard balanced execution indicator used to assess the execution of a venture on a benchmark.

Co-efficient of correlation: Related joint effects measure the nature and extent of the relationship between configuration file returns and stock returns over a particular time period. $r = \frac{N \sum XY - (\sum X * \sum Y)}{\sqrt{(N \sum X^2 - (\sum X)^2) * (N \sum Y^2 - (\sum Y)^2)}}$

The Table with Index with the chosen five Mutual Funds for this study is shown below:

| |
|-----------------------------------|
| Company |
| SBI Gold Fund Growth |
| Axis Long Term Equity Fund |
| IDFC Focused Equity Fund |
| L&T Midcap Fund |
| SBI Small Cap Fund |

The Table with Index with the chosen five Equity Shares for this study is shown below:

| |
|-----------------------------|
| Company |
| State Bank of India |
| HCL Technologies Ltd |
| Infosys Ltd |
| ITC Ltd |
| Bharti Airtel Ltd |

3.6 LIMITATIONS

- The scope of the study was limited due to the proximity of SBI Mutual fund.
- The study time period was only for the duration of 10weeks.
- Only the five equity and the mutual funds are selected and measured for the study which is limited.

3.7 CHAPTER SCHEME

CHAPTER 1- Presentations on the subject, mechanical profiles, organizational profiles, organizational promoters, visions, mission and quality arrangements, organizational items and management, task areas, framework offices, competitor profiles, SWOT surveys, future and overview Money Related declarations and proportions in light of financial explanations

CHAPTER 2 -From the point of view of the written audit and my research, it consists of a hypothetical base, a written survey, and a survey of the whole

CHAPTER 3- part 3 comprise of explanation of the issue, requirement for the examination, target of the investigation , extent of the examination, look into system and constraint

CHAPTER 4- part 4 consist of data analysis and interpretation on the topic I have used various tools like Average Returns, Standard Deviation, Beta , Alpha , Coefficient of correlation which helped to give a clear picture about the analysis done

CHAPTER 5- part 5 consists of Findings, Conclusion and Suggestion of the study which is carried on by the researcher.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

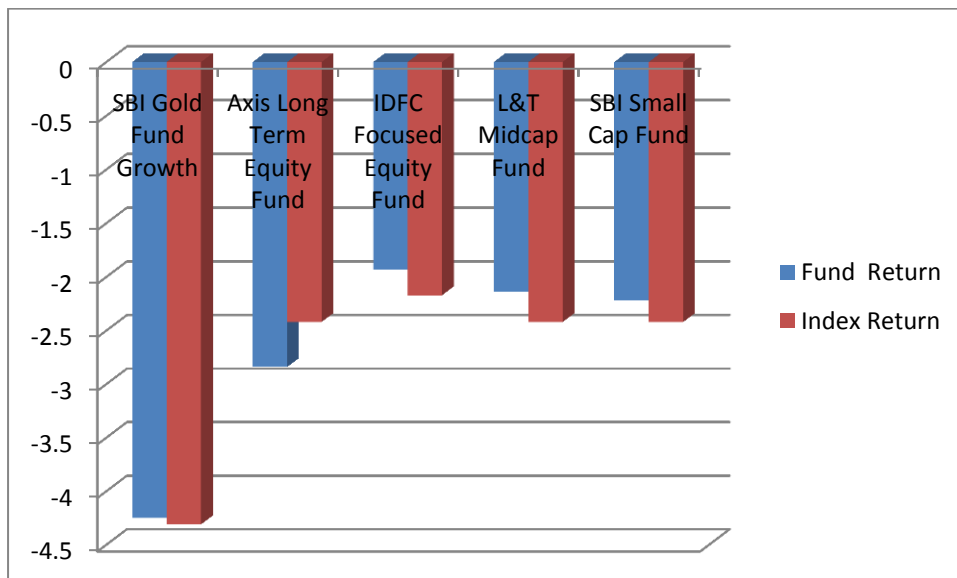
4.1 DATA ANALYSIS AND INTERPRETATION

Calculation of the selected mutual fund's return, standard deviation, correlation, beta and alpha is as follows:

Table 4.1 Showing the Average Return Analysis of chosen Mutual Funds for the year 2016:

| Company | Fund Return | Index Return |
|----------------------------|-------------|--------------|
| SBI Gold Fund Growth | -4.25 | -4.31 |
| Axis Long Term Equity Fund | -2.84 | -2.42 |
| IDFC Focused Equity Fund | -1.93 | -2.17 |
| L&T Midcap Fund | -2.14 | -2.42 |
| SBI Small Cap Fund | -2.22 | -2.42 |

Graph 4.1 Showing Fund return and Index return



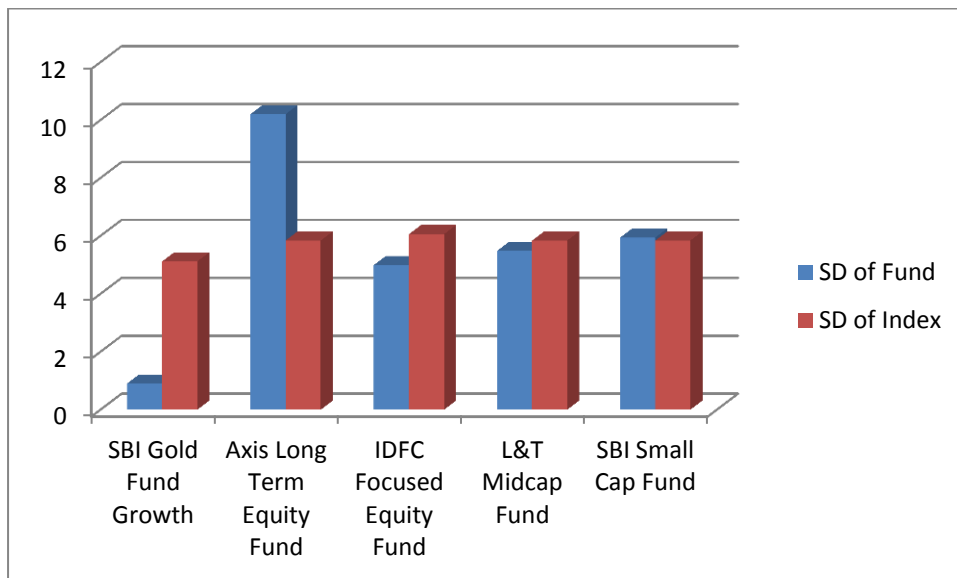
Interpretation:

From the above table it is clear that all the mutual funds and the index return have negative returns. The Fund Return of SBI Gold Fund Growth (-4.25) underperformed when compared with index.

Table 4.2 Showing Standard Deviation of chosen Mutual Funds for the year 2016:

| Company | SD of Fund | SD of Index |
|-----------------------------------|--------------|-------------|
| SBI Gold Fund Growth | 0.90 | 5.12 |
| Axis Long Term Equity Fund | 10.20 | 5.84 |
| IDFC Focused Equity Fund | 4.99 | 6.06 |
| L&T Midcap Fund | 5.48 | 5.84 |
| SBI Small Cap Fund | 5.94 | 5.84 |

Graph 4.2 Showing SD of Fund and Index



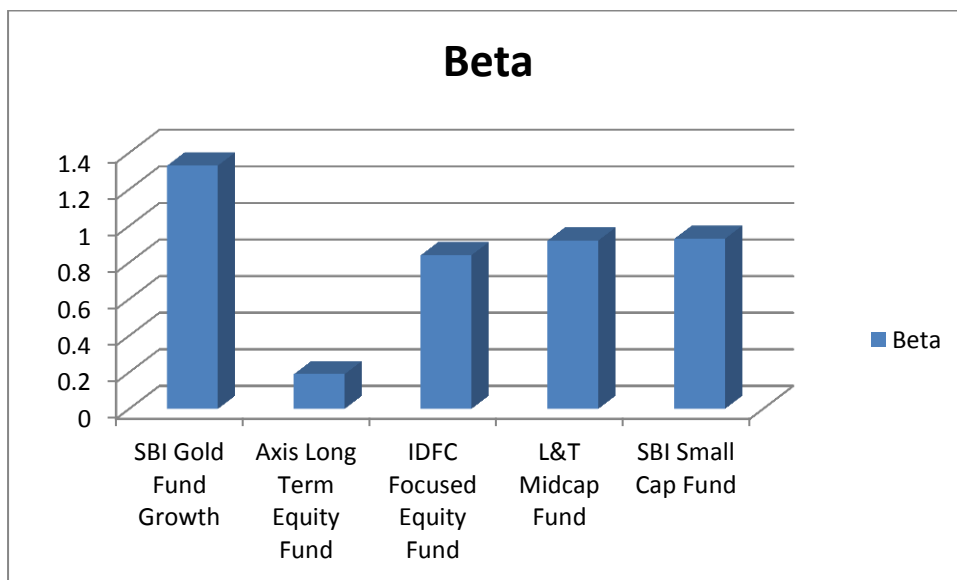
Interpretation:

From the above table it is shown that the higher standard deviation indicates the high variability that is Axis Long Term Equity Fund with 10.20 and SBI Gold Fund Growth has lower standard Deviation of 0.90 which indicates less changeability. All the chosen equity funds have the low variability compared to the Index Return.

Table 4.3 Showing Beta of chosen Mutual Funds for the year 2016:

| Company | Beta |
|-----------------------------------|-------------|
| SBI Gold Fund Growth | 1.33 |
| Axis Long Term Equity Fund | 0.19 |
| IDFC Focused Equity Fund | 0.84 |
| L&T Midcap Fund | 0.92 |
| SBI Small Cap Fund | 0.93 |

Graph 4.3 Showing Beta of all the schemes



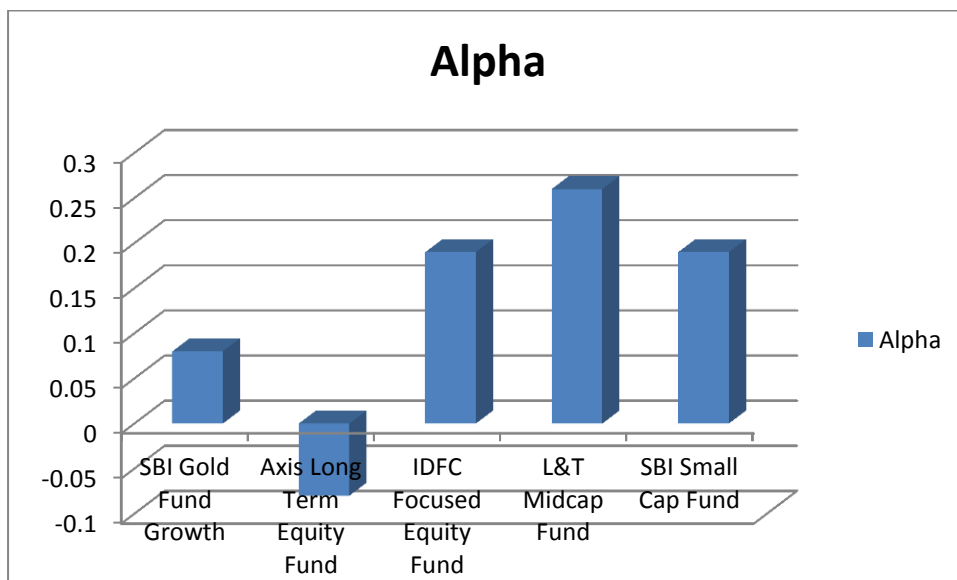
Interpretation:

Beta is the aspect of the volatility. Here SBI Gold Fund Growth has the higher Beta with 1.33 and Axis Long Term Equity Fund has the lower Beta with 0.19. This indicates that even a slight change in the market index value makes percent change in the stocks of Return.

Table 4.4 Showing Alpha of chosen Mutual Funds for the year 2016:

| Company | Alpha |
|-----------------------------------|--------------|
| SBI Gold Fund Growth | 0.08 |
| Axis Long Term Equity Fund | -0.08 |
| IDFC Focused Equity Fund | 0.19 |
| L&T Midcap Fund | 0.26 |
| SBI Small Cap Fund | 0.19 |

Graph 4.4 Showing Alpha of chosen mutual fund



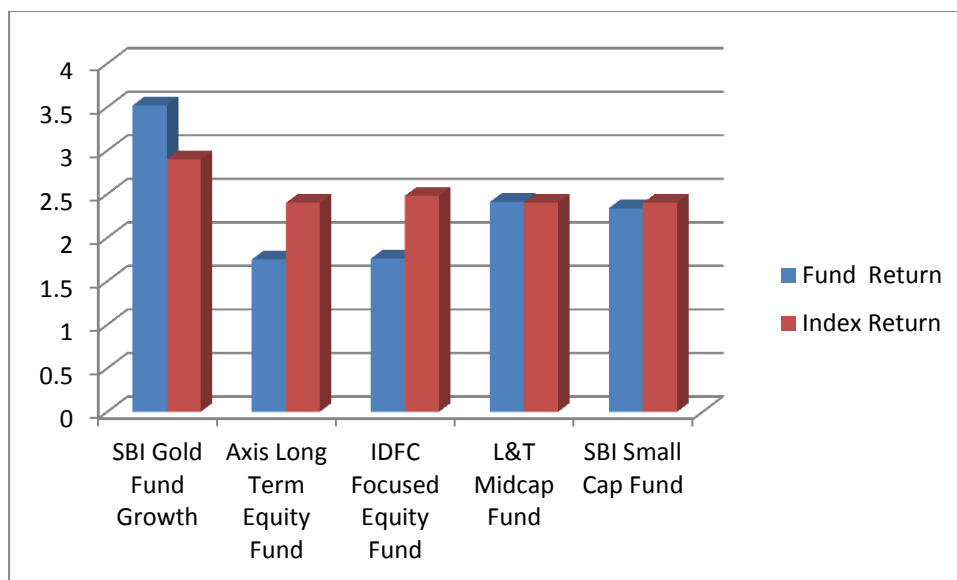
Interpretation:

From the above table it is clear that the L&T Midcap Fund has got higher Alpha with 0.26 and Axis Long Term Equity Fund has relatively negative Alpha with -0.08. This indicates the underperformance of the Axis Long Term Equity Fund in the market funds.

Table 4.5 Showing the Average Return Analysis of chosen Mutual Funds for the year 2017:

| Company | Fund Return | Index Return |
|-----------------------------------|-------------|--------------|
| SBI Gold Fund Growth | 3.52 | 2.90 |
| Axis Long Term Equity Fund | 1.75 | 2.40 |
| IDFC Focused Equity Fund | 1.76 | 2.48 |
| L&T Midcap Fund | 2.41 | 2.40 |
| SBI Small Cap Fund | 2.34 | 2.40 |

Graph 4.5 Showing Fund and Index return of chosen mutual fund



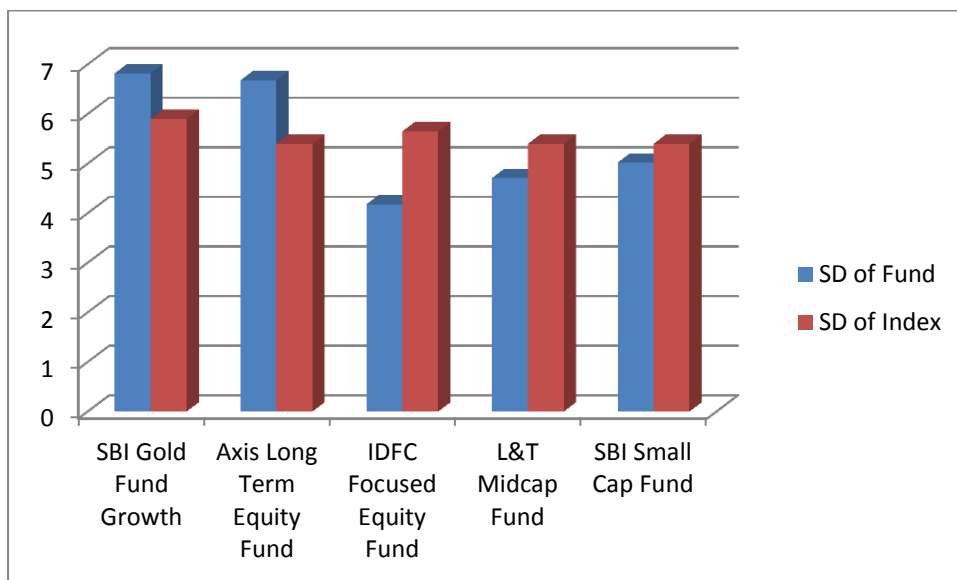
Interpretation:

From the above table it is clear that all the mutual funds and the related index returns are positive. The fund return of SBI Gold Fund Growth with 3.52 has well performed when compared with that of the other returns chosen.

Table 4.6 Showing Standard Deviation of chosen Mutual Funds for the year 2017:

| Company | SD of Fund | SD of Index |
|-----------------------------------|-------------|-------------|
| SBI Gold Fund Growth | 6.82 | 5.9 |
| Axis Long Term Equity Fund | 6.68 | 5.40 |
| IDFC Focused Equity Fund | 4.18 | 5.65 |
| L&T Midcap Fund | 4.71 | 5.40 |
| SBI Small Cap Fund | 5.02 | 5.40 |

Graph 4.6 Showing SD of chosen mutual fund



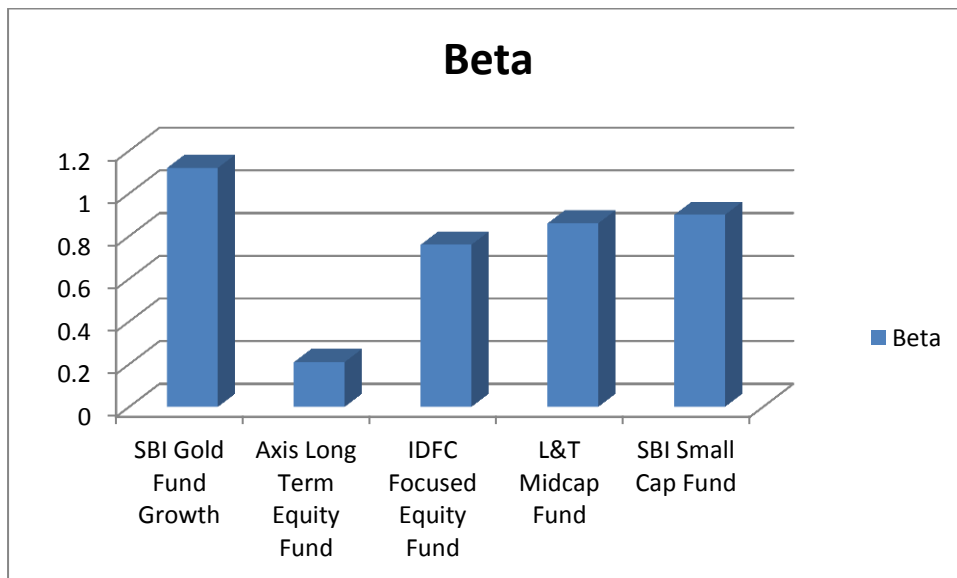
Interpretation:

From the above given table it is clear that SBI Gold Fund Growth has the higher standard deviation which indicates higher variability and IDFC Focused Equity Fund has lesser standard deviation which indicates lower variability when compared.

Table 4.7 Showing Beta of chosen Mutual Funds for the year 2017:

| Company | Beta |
|-----------------------------------|-------------|
| SBI Gold Fund Growth | 1.12 |
| Axis Long Term Equity Fund | 0.21 |
| IDFC Focused Equity Fund | 0.76 |
| L&T Midcap Fund | 0.86 |
| SBI Small Cap Fund | 0.90 |

Graph 4.7 Showing Beta of all the schemes



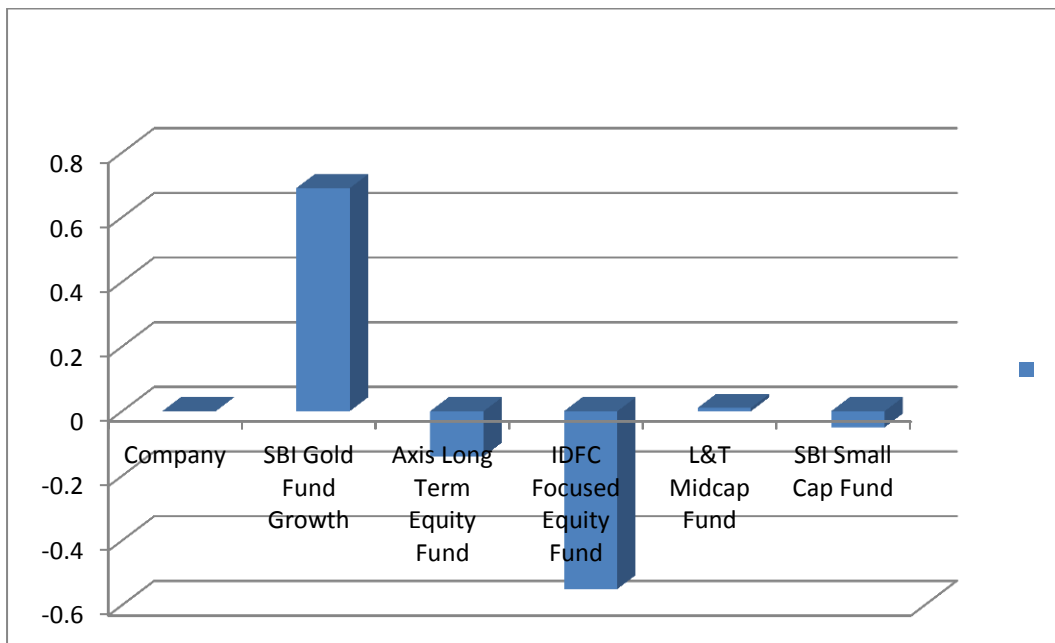
Interpretation:

Here the beta value is higher in SBI Gold Fund Growth with 1.12 and Axis Long Term Equity Fund has lower beta value with 0.21. This indicates the higher volatility of the funds than the market

Table 4.8 Showing Alpha of chosen Mutual Funds for the year 2017:

| Company | Alpha |
|-----------------------------------|--------------|
| SBI Gold Fund Growth | 0.69 |
| Axis Long Term Equity Fund | -0.14 |
| IDFC Focused Equity Fund | -0.55 |
| L&T Midcap Fund | 0.01 |
| SBI Small Cap Fund | -0.05 |

Graph 4.8 Showing all the selected mutual fund



Interpretation:

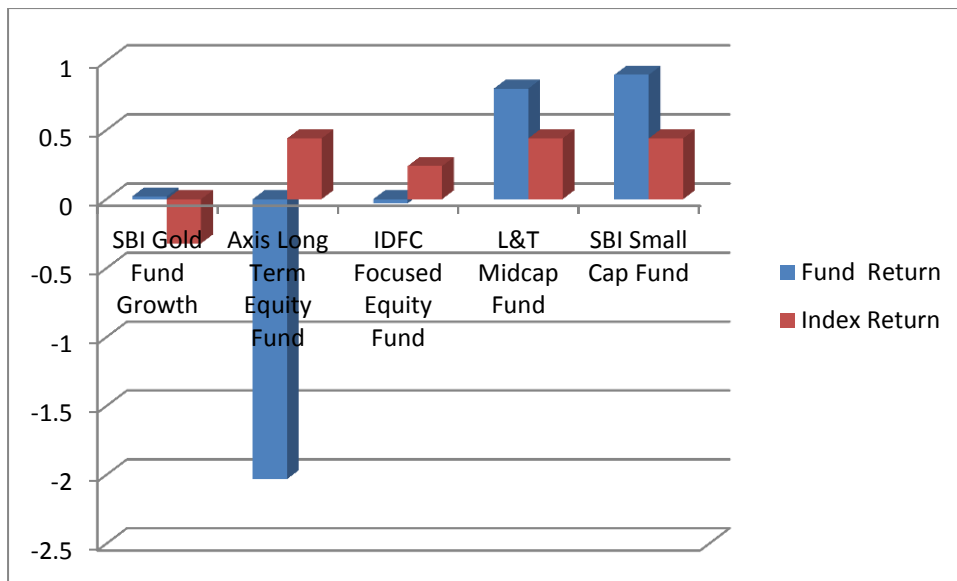
From the above table it is shown that SBI Gold Fund Growth has the highest Alpha and

SBI Small Cap Fund has lower Alpha with -0.05 negative values which indicates that those funds are underperforming in the market value.

Table 4.9 Showing the Average Return Analysis of chosen Mutual Funds for the year 2018:

| Company | Fund Return | Index Return |
|----------------------------|-------------|--------------|
| SBI Gold Fund Growth | 0.02 | -0.32 |
| Axis Long Term Equity Fund | -2.03 | 0.44 |
| IDFC Focused Equity Fund | -0.03 | 0.24 |
| L&T Midcap Fund | 0.80 | 0.44 |
| SBI Small Cap Fund | 0.90 | 0.44 |

Graph 4.9 Showing Average return of selected mutual fund



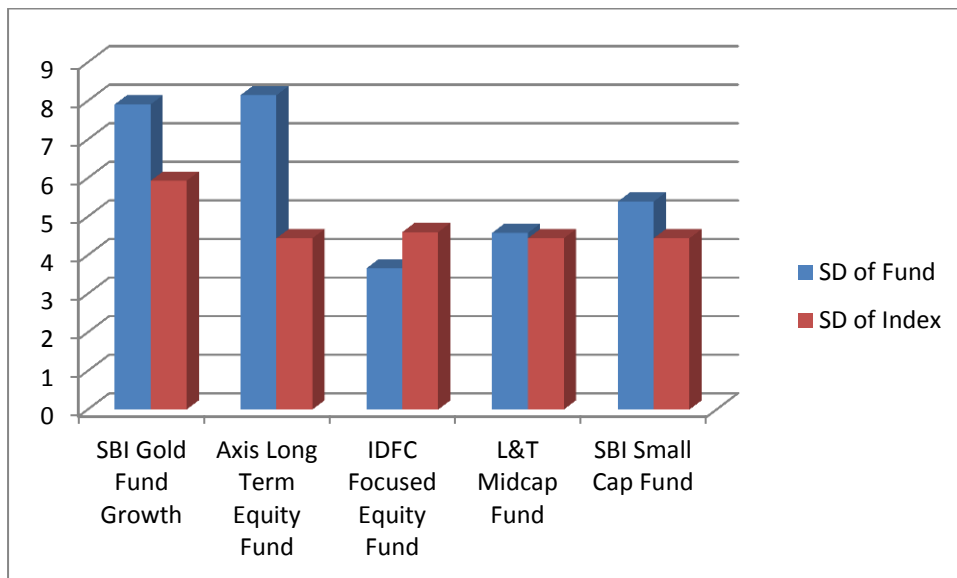
Interpretation:

From the above table it is clear that SBI Small Cap Fund has highest returns for its index returns and IDFC Focused Equity Fund has very less returns with negative value -0.03 which shows its underperformance level.

Table 4.10 Showing Standard Deviation of chosen Mutual Funds for the year 2018:

| Company | SD of Fund | SD of Index |
|-----------------------------------|-------------|-------------|
| SBI Gold Fund Growth | 7.91 | 5.93 |
| Axis Long Term Equity Fund | 8.15 | 4.44 |
| IDFC Focused Equity Fund | 3.66 | 4.60 |
| L&T Midcap Fund | 4.58 | 4.44 |
| SBI Small Cap Fund | 5.39 | 4.44 |

Graph 4.10 SD of Chosen Mutual Fund



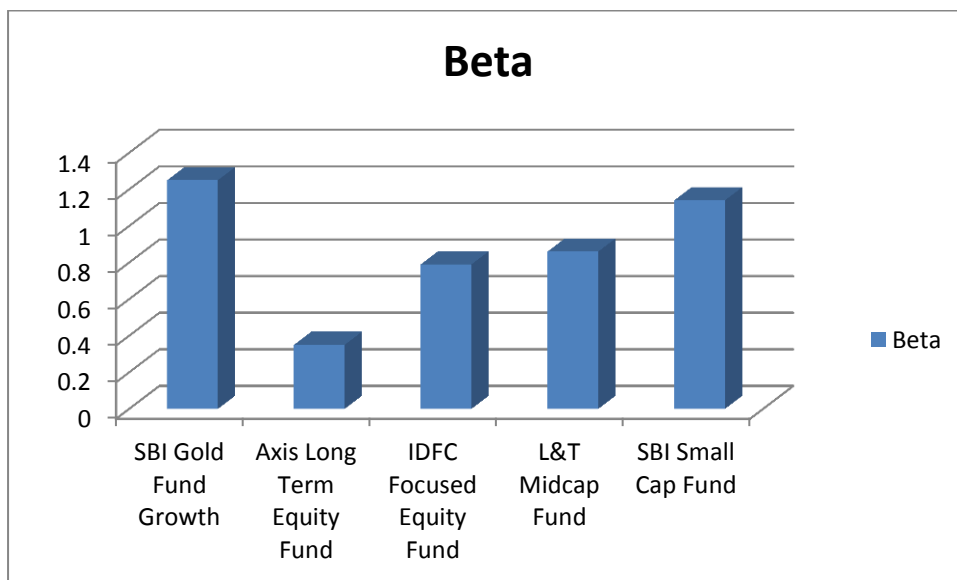
Interpretation:

From the above table it is clearly shown that the standard deviation of Axis Long Term Equity Fund is higher with high variability of 8.15 and the standard deviation of IDFC Focused Equity Fund is relatively lower compared to other returns with 3.66.

Table 4.11 Showing Beta of chosen Mutual Funds for the year 2018:

| Company | Beta |
|-----------------------------------|-------------|
| SBI Gold Fund Growth | 1.25 |
| Axis Long Term Equity Fund | 0.35 |
| IDFC Focused Equity Fund | 0.79 |
| L&T Midcap Fund | 0.86 |
| SBI Small Cap Fund | 1.14 |

Graph 4.11 Showing Beta of chosen Mutual Fund



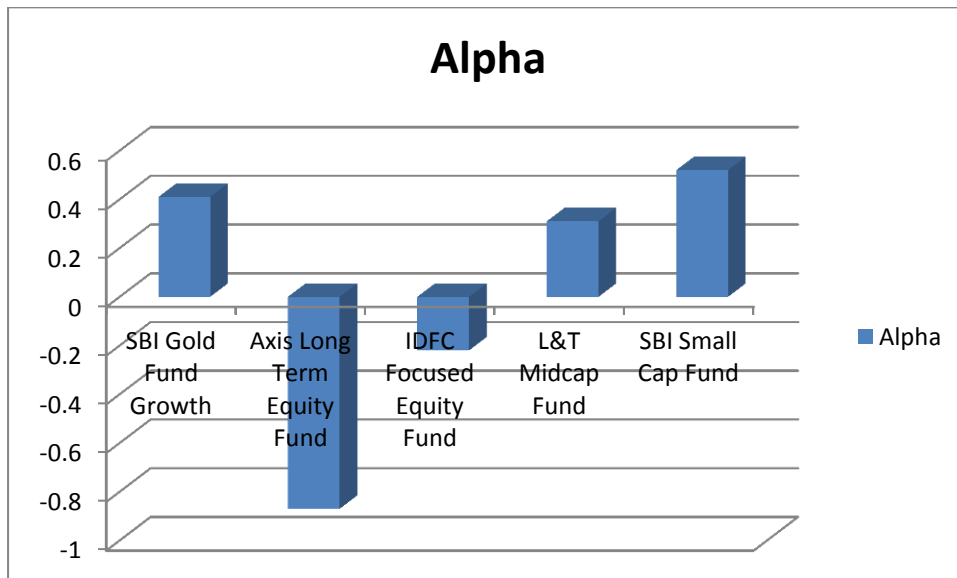
Interpretation:

It is clear from the above table that the SBI Gold Fund Growth has higher beta value with 1.25 and Axis Long Term Equity Fund has the lower beta value with 0.35 value which makes clear that the funds are more volatile than the market growth.

Table 4.12 Showing Alpha of chosen Mutual Funds for the year 2018:

| Company | Alpha |
|-----------------------------------|--------------|
| SBI Gold Fund Growth | 0.41 |
| Axis Long Term Equity Fund | -0.87 |
| IDFC Focused Equity Fund | -0.22 |
| L&T Midcap Fund | 0.31 |
| SBI Small Cap Fund | 0.52 |

Graph 4.12 Showing Alpha of chosen Mutual Fund



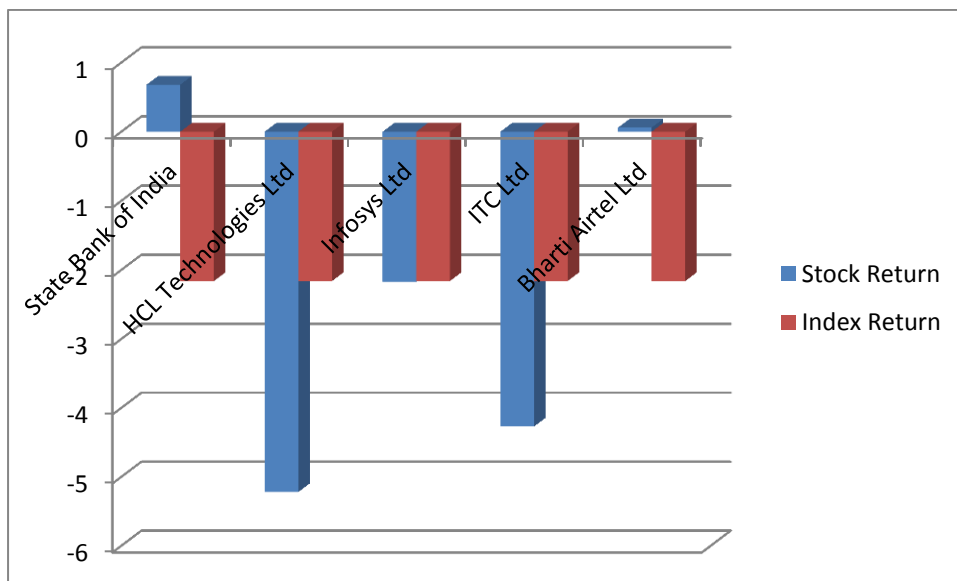
Interpretation:

From the above table it is shown that SBI Small Cap Fund has higher alpha and IDFC Focused Equity Fund has lower alpha with negative values which indicates the underperformance of the funds in the market.

Table 4.13 Showing Average Return of chosen Equity Shares for the year 2016:

| Company | Stock Return | Index Return |
|----------------------|--------------|--------------|
| State Bank of India | 0.68 | -2.16 |
| HCL Technologies Ltd | -5.22 | -2.16 |
| Infosys Ltd | -2.17 | -2.16 |
| ITC Ltd | -4.27 | -2.16 |
| Bharti Airtel Ltd | 0.06 | -2.16 |

Graph 4.13 Showing average return of chosen equity shares



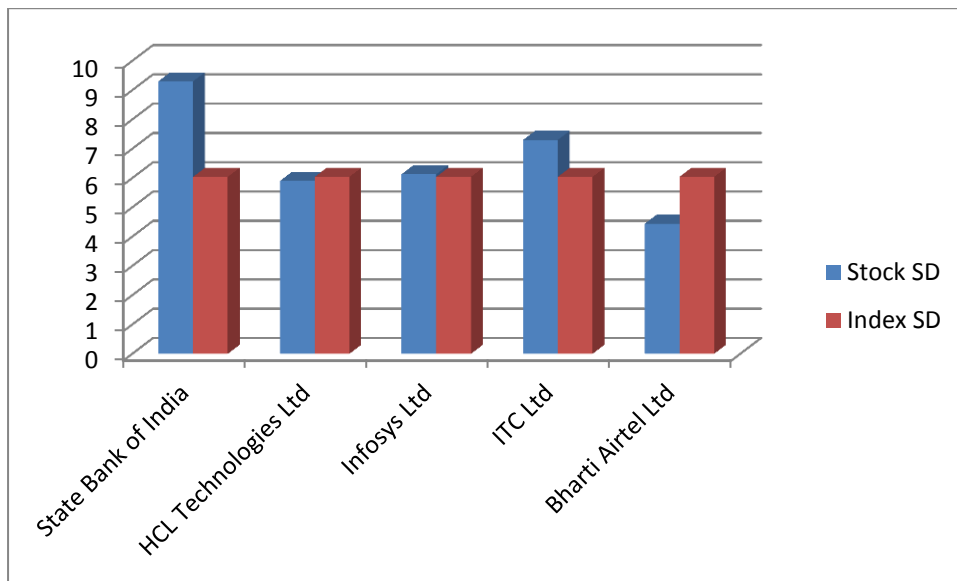
Interpretation:

From the above table it is clear that all the index returns have negative valued returns and according to the Equity returns of ITC Ltd and HCL Technologies it is clear that they have underperformed when compared with the index returns.

Table 4.14 Showing Standard Deviation of chosen Equity Shares for the year 2016:

| Company | Stock SD | Index SD |
|----------------------|----------|----------|
| State Bank of India | 9.30 | 6.04 |
| HCL Technologies Ltd | 5.90 | 6.04 |
| Infosys Ltd | 6.13 | 6.04 |
| ITC Ltd | 7.30 | 6.04 |
| Bharti Airtel Ltd | 4.44 | 6.04 |

Graph 4.14 Showing SD of chosen equity shares



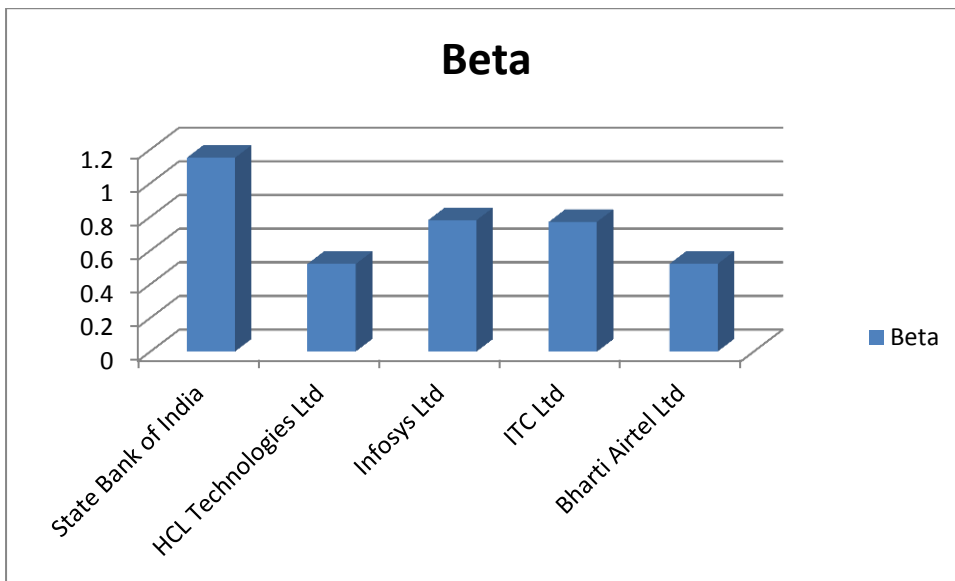
Interpretation:

From the above table it is clear that the standard deviation of SBI is high with 9.30 and it indicates the high variability and Bharti Airtel has lower standard deviation of 4.44 and indicates lower variability.

Table 4.15 Showing beta of chosen Equity Shares for the year 2016:

| Company | Beta |
|-----------------------------|-------------|
| State Bank of India | 1.15 |
| HCL Technologies Ltd | 0.52 |
| Infosys Ltd | 0.78 |
| ITC Ltd | 0.77 |
| Bharti Airtel Ltd | 0.52 |

Graph 4.15 Showing beta of chosen equity share



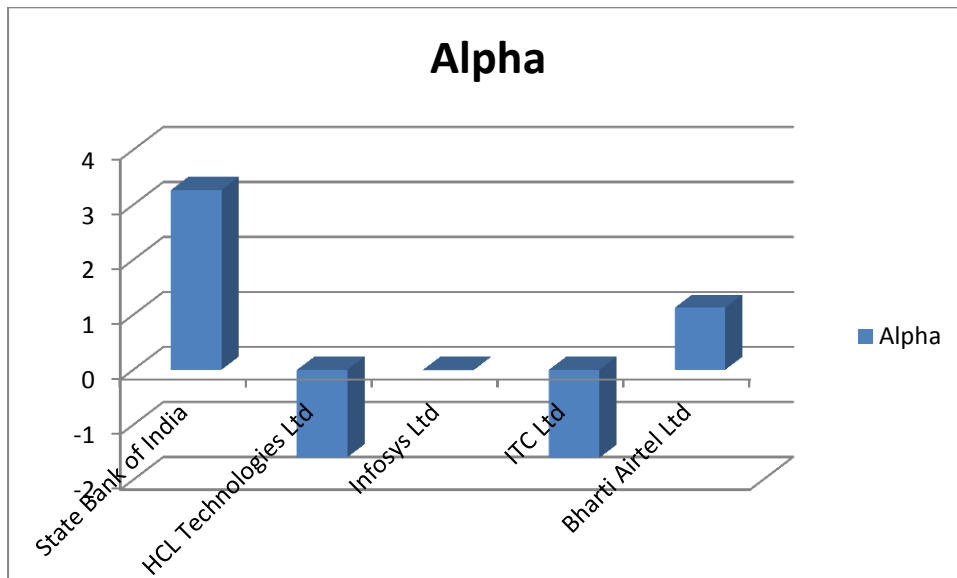
Interpretation:

From the above table it is clear that beta of SBI (1.15) is higher than other equity shares which indicates funds are being more volatile than that of the market.

Table 4.16 Showing Alpha of chosen Equity Shares for the year 2016:

| Company | Alpha |
|----------------------|-------|
| State Bank of India | 3.27 |
| HCL Technologies Ltd | -1.59 |
| Infosys Ltd | -0.01 |
| ITC Ltd | -1.60 |
| Bharti Airtel Ltd | 1.13 |

Graph 4.16 Showing alpha of chosen equity shares



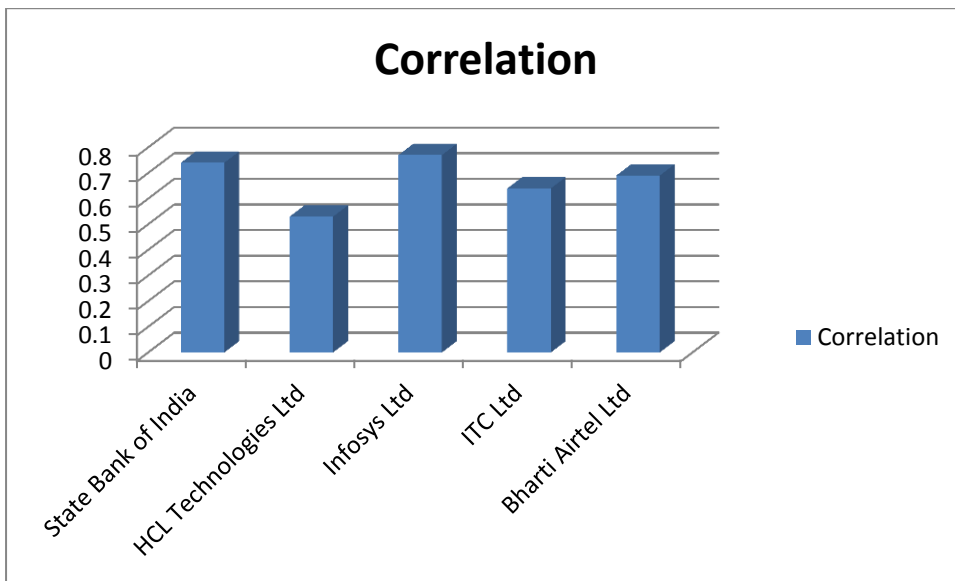
Interpretation:

The above table given shows alpha of chosen equity shares for the year 2016. HCL Technologies Ltd and ITC Ltd has alpha and this shows that they are underperforming in the market.

Table 4.17 Showing correlation of chosen Equity Shares for the year 2016:

| Company | Correlation |
|-----------------------------|--------------------|
| State Bank of India | 0.74 |
| HCL Technologies Ltd | 0.53 |
| Infosys Ltd | 0.77 |
| ITC Ltd | 0.64 |
| Bharti Airtel Ltd | 0.69 |

Graph 4.17 Showing correlation of chosen equity shares



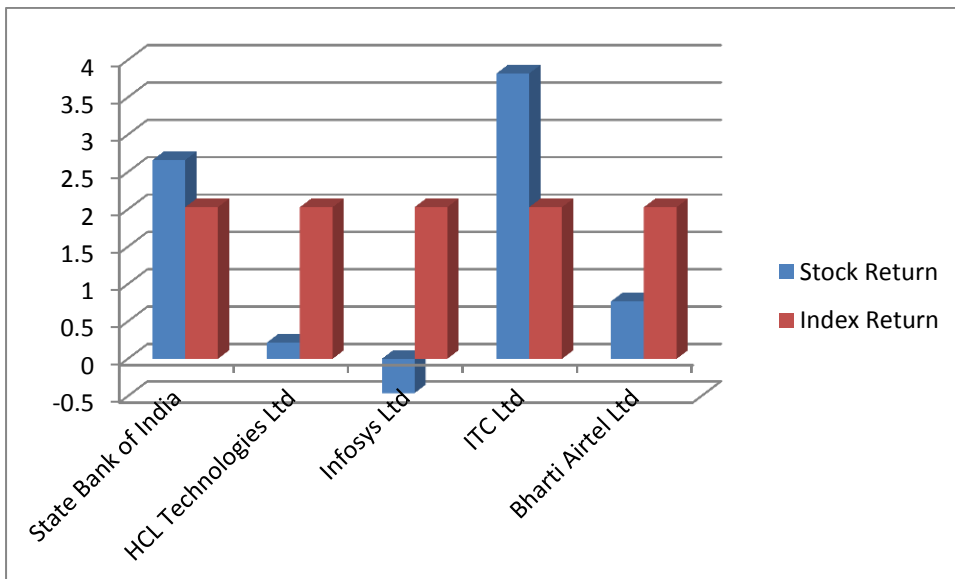
Interpretation:

From the above table Infosys Ltd has 0.77 of higher correlation and it shows that the stock returns are directly proportionate to the index returns.

Table 4.18 Showing Average Return of chosen Equity Shares for the year 2017:

| Company | Stock Return | Index Return |
|----------------------|--------------|--------------|
| State Bank of India | 2.66 | 2.03 |
| HCL Technologies Ltd | 0.22 | 2.03 |
| Infosys Ltd | -0.46 | 2.03 |
| ITC Ltd | 3.82 | 2.03 |
| Bharti Airtel Ltd | 0.77 | 2.03 |

Graph 4.18 Showing average return of chosen equity shares



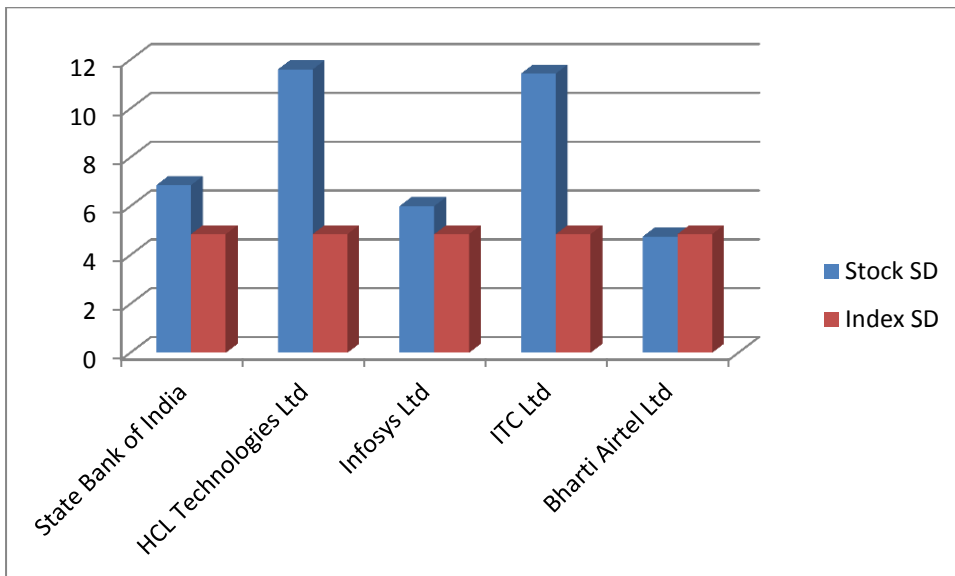
Interpretation:

The above table specifies the average returns analysis of the equity returns for the year 2017. The found return of ITC Ltd has well performed when compared to that of the Index returns.

Table 4.19 Showing Standard Deviation of chosen Equity Shares for the year 2017:

| Company | Stock SD | Index SD |
|----------------------|----------|----------|
| State Bank of India | 6.87 | 4.86 |
| HCL Technologies Ltd | 11.61 | 4.86 |
| Infosys Ltd | 6.01 | 4.86 |
| ITC Ltd | 11.44 | 4.86 |
| Bharti Airtel Ltd | 4.76 | 4.86 |

Graph 4.19 showing SD of chosen equity shares



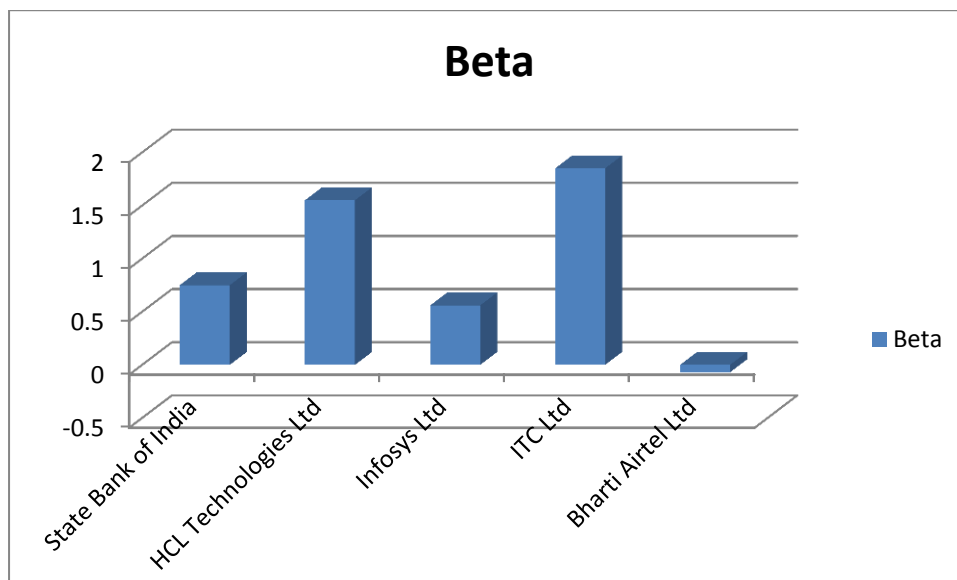
Interpretation:

The above table shows the actual standard deviation of chosen Equity shares, out of which HCL Technologies Ltd has higher standard deviation with 11.61 with higher variability.

Table 4.20 Showing beta of chosen Equity Shares for the year 2017:

| Company | Beta |
|-----------------------------|--------------|
| State Bank of India | 0.75 |
| HCL Technologies Ltd | 1.55 |
| Infosys Ltd | 0.56 |
| ITC Ltd | 1.85 |
| Bharti Airtel Ltd | -0.07 |

Graph 4.20 showing beta of chosen equity shares



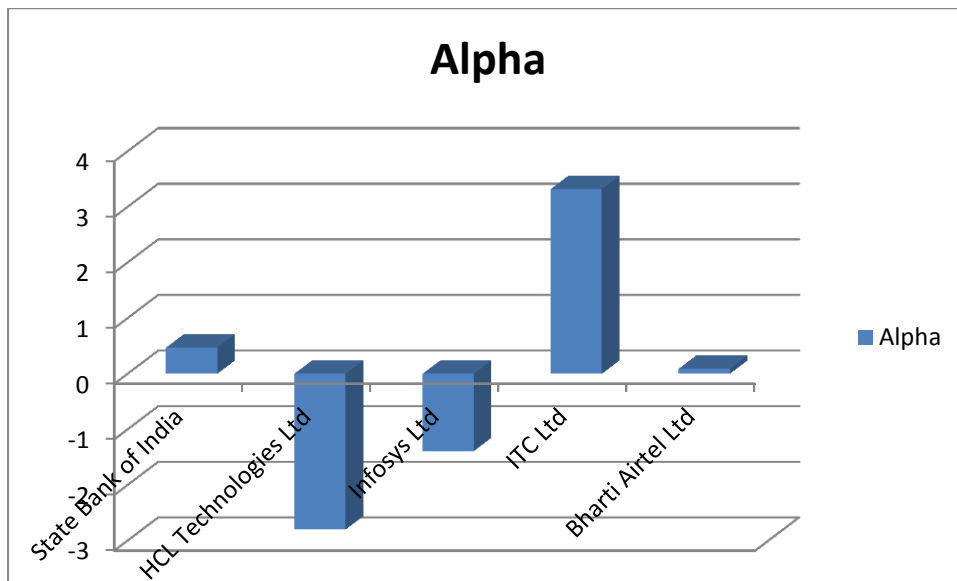
Interpretation:

From the given table the ITC Ltd with highest Beta (1.85) indicates that the funds are more volatile than the market.

Table 4.21 Showing Alpha of chosen Equity Shares for the year 2017:

| Company | Alpha |
|----------------------|-------|
| State Bank of India | 0.47 |
| HCL Technologies Ltd | -2.80 |
| Infosys Ltd | -1.39 |
| ITC Ltd | 3.32 |
| Bharti Airtel Ltd | 0.09 |

Graph 4.21 showing Alpha of chosen equity shares



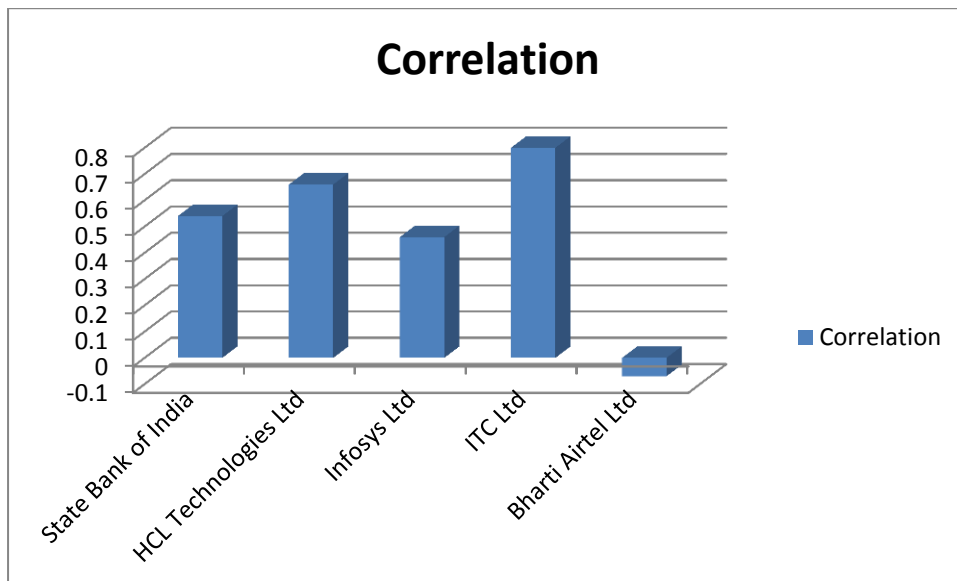
Interpretation:

The above table shows that the equity stock has over performed with the market. ITC Ltd (3.32) has highest alpha which specifies that stock has over performed in the market.

Table 4.22 Showing correlation of chosen Equity Shares for the year 2017:

| Company | Correlation |
|-----------------------------|--------------------|
| State Bank of India | 0.54 |
| HCL Technologies Ltd | 0.66 |
| Infosys Ltd | 0.46 |
| ITC Ltd | 0.80 |
| Bharti Airtel Ltd | -0.07 |

Graph 4.22 showing correlation of chosen Equity shares



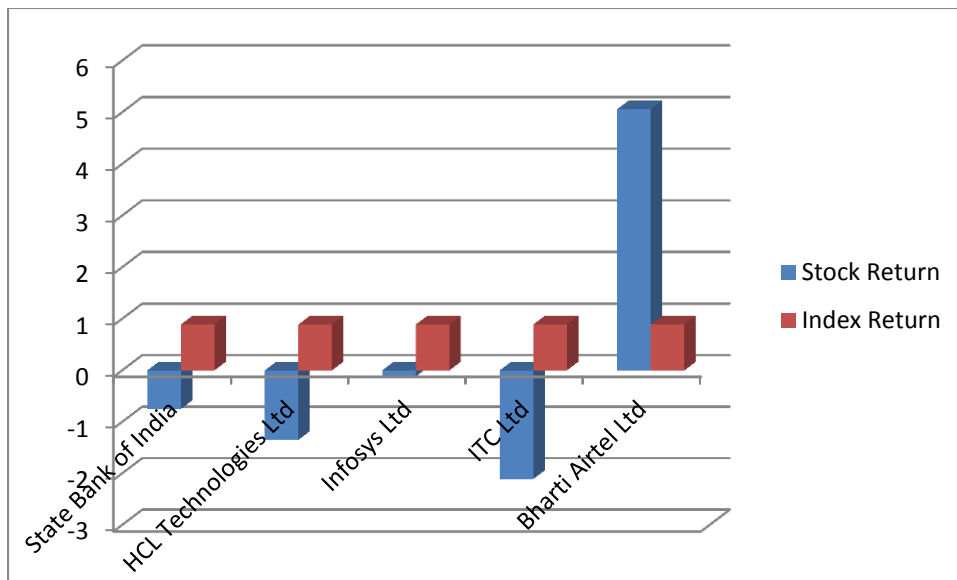
Interpretation:

The above table shows the ITC Ltd (0.80) has highest correlation compared to the index. This specifies that stock is directly proportionate to the index returns.

Table 4.23 Showing Average Return of chosen Equity Shares for the year 2018:

| Company | Stock Return | Index Return |
|----------------------|--------------|--------------|
| State Bank of India | -0.75 | 0.89 |
| HCL Technologies Ltd | -1.35 | 0.89 |
| Infosys Ltd | -0.12 | 0.89 |
| ITC Ltd | -2.11 | 0.89 |
| Bharti Airtel Ltd | 5.06 | 0.89 |

Graph 4.23 showing average return of chosen equity shares



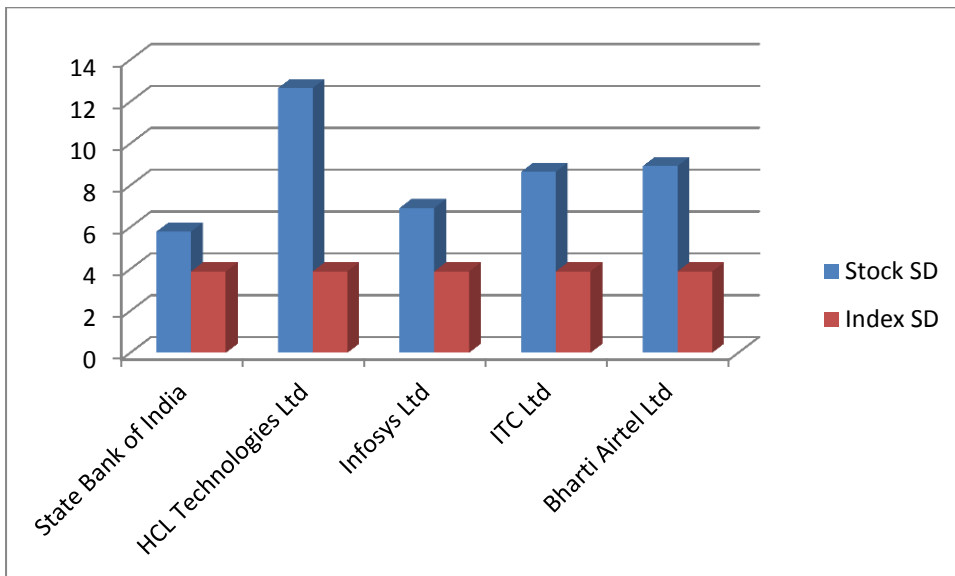
Interpretation:

From the given table it is clear that all the above returns of the stock are negative except Bharti Airtel Ltd (5.06) which has well performed when compared to the index returns.

Table 4.24 Showing Standard Deviation of chosen Equity Shares for the year 2018:

| Company | Stock SD | Index SD |
|----------------------|----------|----------|
| State Bank of India | 5.79 | 3.89 |
| HCL Technologies Ltd | 12.65 | 3.89 |
| Infosys Ltd | 6.92 | 3.89 |
| ITC Ltd | 8.65 | 3.89 |
| Bharti Airtel Ltd | 8.92 | 3.89 |

Graph 4.24 showing SD of chosen equity shares



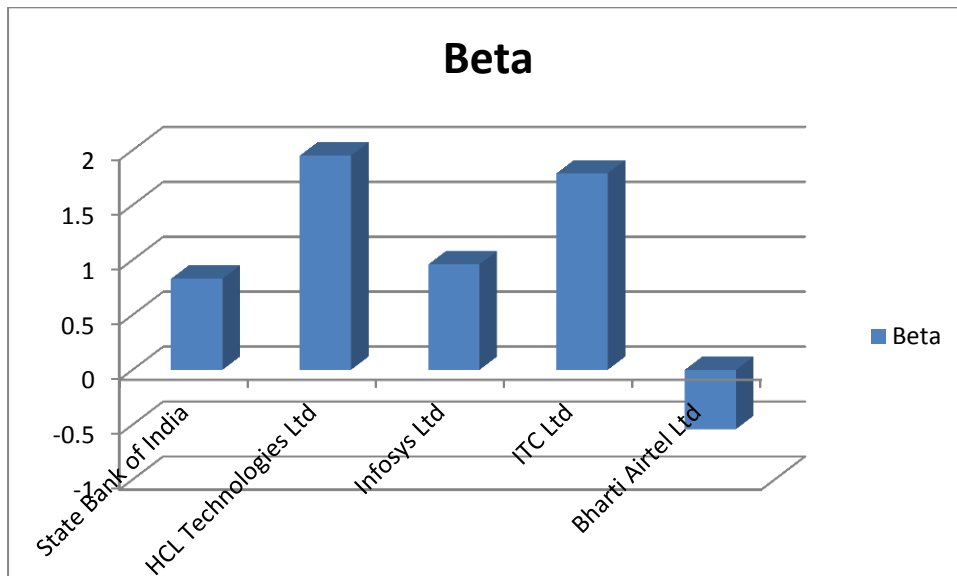
Interpretation:

From the above table it is clear that stock standard deviation of HCL Technologies Ltd has higher standard deviation (12.65) which indicates high variability.

Table 4.25 Showing beta of chosen Equity Shares for the year 2018:

| Company | Beta |
|----------------------|-------|
| State Bank of India | 0.83 |
| HCL Technologies Ltd | 1.95 |
| Infosys Ltd | 0.96 |
| ITC Ltd | 1.79 |
| Bharti Airtel Ltd | -0.54 |

Graph 4.25 showing Beta of chosen equity share



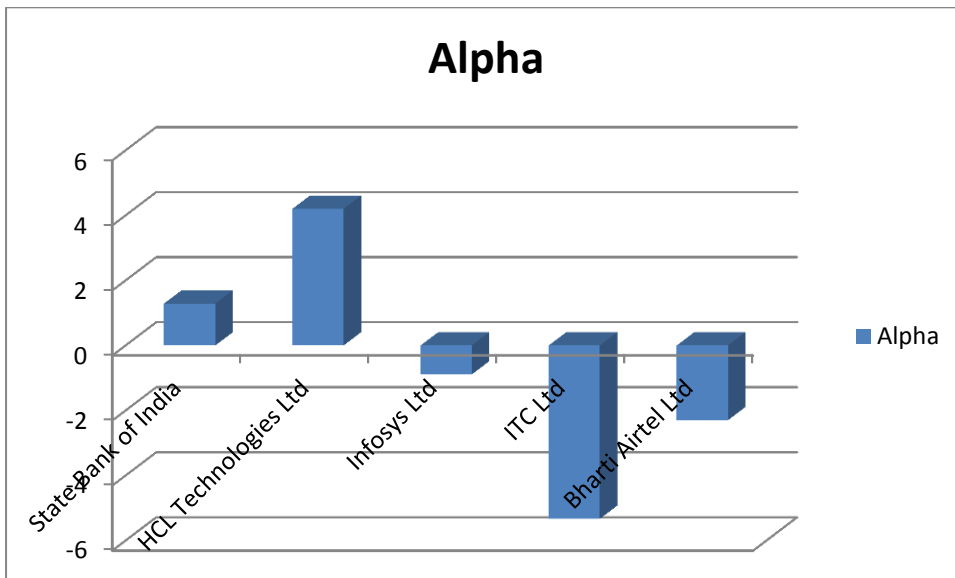
Interpretation:

The above table shows the beta of selected shares which indicates HCL Technologies Ltd (1.95) with higher beta and it has high volatility than the market. Beta that is very less than one share will be less volatile than the market.

Table 4.26 Showing Alpha of chosen Equity Shares for the year 2018:

| Company | Alpha |
|----------------------|-------|
| State Bank of India | 1.29 |
| HCL Technologies Ltd | 4.20 |
| Infosys Ltd | -0.89 |
| ITC Ltd | -5.33 |
| Bharti Airtel Ltd | -2.30 |

Graph 4.26 showing alpha of chosen equity shares



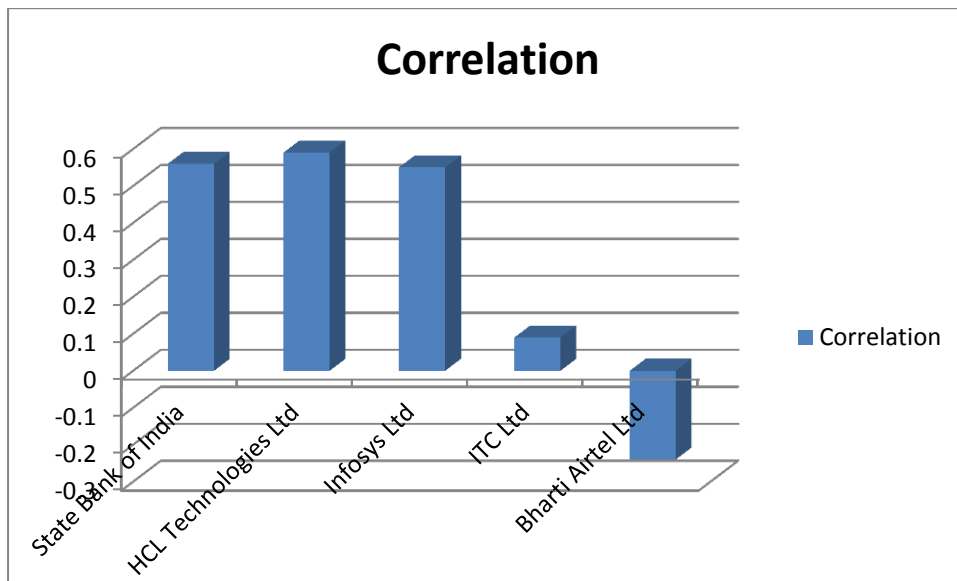
Interpretation:

From the above table it is clear that the ITC Ltd has negative alpha. This specifies the underperformance of these shares in the market.

Table 4.27 Showing correlation of chosen Equity Shares for the year 2018:

| Company | Correlation |
|-----------------------------|--------------------|
| State Bank of India | 0.56 |
| HCL Technologies Ltd | 0.59 |
| Infosys Ltd | 0.55 |
| ITC Ltd | 0.09 |
| Bharti Airtel Ltd | -0.24 |

Graph 4.27 showing correlation of chosen equity shares



Interpretation:

The table shows that HCL Technologies Ltd has highest correlation (0.59) .this indicates that the stock is meant to be directly proportionate to the index returns.

CHAPTER 5

FINDINGS AND SUGGESTION

5.1 FINDINGS:

- The Fund Return of SBI Gold Fund Growth (-4.25) underperformed when compared with index.
- The higher standard deviation indicates the high variability that is Axis Long Term Equity Fund with 10.20 and SBI Gold Fund Growth has lower standard Deviation of 0.90 which indicates less changeability. All the chosen equity funds have the low variability compared to the Index Return.
- Here SBI Gold Fund Growth has the higher Beta with 1.33 and Axis Long Term Equity Fund has the lower Beta with 0.19. This indicates that even a slight change in the market index value makes percent change in the stocks of Return.
- the L&T Midcap Fund has got higher Alpha with 0.26 and Axis Long Term Equity Fund has relatively negative Alpha with -0.08. This indicates the underperformance of the Axis Long Term Equity Fund in the market funds.
- All the mutual funds and the related index returns are positive. The fund return of SBI Gold Fund Growth with 3.52 has well performed when compared with that of the other returns chosen.
- SBI Gold Fund Growth has the higher standard deviation which indicates higher variability and IDFC Focused Equity Fund has lesser standard deviation which indicates lower variability when compared.
- Here the beta value is higher in SBI Gold Fund Growth with 1.12 and Axis Long Term Equity Fund has lower beta value with 0.21. This indicates the higher volatility of the funds than the market.
- SBI Gold Fund Growth has the highest Alpha and SBI Small Cap Fund has lower Alpha with -0.05 negative values which indicates that those funds are underperforming in the market value.
- it is clear that all the above returns of the stock are negative except Bharti Airtel Ltd (5.06) which has well performed when compared to the index returns.
- it is clear that stock standard deviation of HCL Technologies Ltd has higher standard deviation (12.65) which indicates high variability.

- The beta of selected shares which indicates HCL Technologies Ltd (1.95) with higher beta and it has high volatility than the market. Beta that is very less than one share will be less volatile than the market.
- it is clear that the ITC Ltd has negative alpha. This specifies the underperformance of these shares in the market.
- The HCL Technologies Ltd has highest correlation (0.59) .this indicates that the stock is meant to be directly proportionate to the index returns.

CONCLUSION

From the above analysis, it is clear that the chosen Mutual Fund schemes has relatively less return compared to that of the chosen Equity Returns. The risk of Mutual Fund schemes is also higher but the volatility of the schemes is lesser than the selected Equity Shares. The standard deviation of selected Equity shares is higher than that of selected mutual fund schemes. Correlation of selected Equity shares with index represents the proportionate aspect with respect to the index. SBI has the highest correlation among the other selected Equity Shares.

Saving cash is not enough. Each one of us rationally invests in with the ultimate goal of being able to fund the higher education of its own youth, purchase a house, or get enough money for a great year is needed. In this study, new financial professionals need to add value to resources and collaborate on shared reserves by providing data on how to measure the risks and returns of specific scripts and common store parcels. Control. The survey admits that new speculators seek common help instead of value because of the high risk and high market vulnerability.

SUGGESTION:

- India, from the point of view of capital, market, financial credibility and overall development rate, more and more distant institution financial experts (FII'S) are drawing interest, stable development of stock trading system record Prompting.
- For the above reasons, it is now the right time to put resources into shared and common assets.
- Interest rates fall regularly and stock markets succeed as investors can turn bank deposits into mutual funds and stocks.

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- <http://www.morningstar.in/equities.aspx>
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**ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA**

PROJECT (17MBAPR407) -WEEKLY REPORT

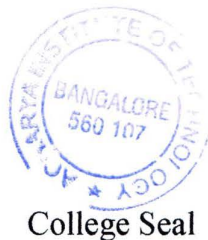
NAME OF THE STUDENT: SHWETHA K N

INTERNAL GUIDE: Prof. MAHAK BALANI

USN: 1AY17MBA50

COMPANY NAME: SBI MUTUAL FUNDS, BANGALORE

| WEEK | WORK UNDERTAKEN | EXTERNAL GUIDE SIGNATURE | INTERNAL GUIDE SIGNATURE |
|---|--|--------------------------|--------------------------|
| 3 rd Jan 2019 – 9 th Jan 2019 | Industry Profile and Company Profile | | |
| 10 th Jan 2019 – 17 th Jan 2019 | Preparation of Research instrument for data collection | | |
| 18 th Jan 2019 – 25 th Jan 2019 | Data collection | | |
| 26 th Jan 2019 – 2 nd Feb 2019 | Analysis and finalization of report | | |
| 3 rd Feb 2019 – 9 th Feb 2019 | Findings and Suggestions | | |
| 10 th Feb 2019 – 16 th Feb 2019 | Conclusion and Final Report | | |



HOD Signature

Head of the Department
Department of MBA
Acharya Institute of Technology
Soidevanahalli, Bangalore-560 107