

Significance of Investment and Saving Schemes of Public and Private Sector

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ABSTRACT

Most of the people prefer savings so that their short term goals can be achieved easily. In case of investment, the financial needs are fulfilled by keeping a particular amount of money aside in order to achieve the long term goals. On comparison, it is found that a number of risk factors are associated with the investment and there are some cases when no growth in the invested money is seen. On the other hand, there is a healthy return is obtained as a result of savings courtesy of some rate of interests applied on the deposited money.

A good amount of money as return can also be obtained through the invested money but in case of investment, it is said that an individual can get higher returns with higher level of risks. Hence, it can be said that an individual can fulfill his/her short term or long term goals easily with the help of any saving or investment scheme. A number of saving and investment schemes from private as well as public sectors are available in the market. The current study highlights the significance of savings and investment schemes of public and private sectors in India.

KEYWORDS:

Investment, Saving, Money, Financial

INTRODUCTION

In order to secure the future financially, a person looks for the savings and investment schemes. This saved money can prove to be a precious thing at the time of any emergency. Hence, to strength his/her financial status, a person chooses the way of saving and investment.

A lot of savings and investment schemes are available in the market and a good rate of interest is offered by the firms to attract more and more consumers as the level of competition is going upward in this sector. Hence, an individual is suggested to analyze all the pros and cons of the interested scheme so that there should be no loss of finance in the future. Also, a guideline is offered by the firms where an investor is advised to have a look at all the risk factors associated with the available schemes of savings and investment.

In case of savings in the form of the fixed account; a particular rate of interest is imposed on the deposited money and after the offered duration, the customer is given the money with the interest rate. This scheme is very popular in India as no much risk is involved in this kind of saving and customer gets a healthy amount of money as return. Here, the rate of interest may vary depending upon the rules and regulations of the concerned firm. In most of the schemes, it is observed that the senior citizens are offered a higher range of rate of interest as compared to the youngsters.

In India, most of the people prefer public sectors for the purpose of savings as this sector is much secured. On the other hand, there are a number of private firms which have cheated with the customers and ran away after taking money from the customers. Hence, for the purpose of savings, the Indian consumers prefer government saving schemes offered by government banks and Post offices.

These days, post offices have also started offering saving schemes to the customers as they provide the facility of Fixed Deposit (FD) and Recurring Deposit (RD). In the saving schemes of government, approximately 7 to 9% interest rate is provided.

Mutual funds are also a good option for investment where a person can invest money for short-term, medium term and long term. According to the requirements, a person can choose the suitable plan for better investment.

OBJECTIVES OF THE STUDY

The objectives of the current paper are as follows:

- i) To highlight the investment and saving schemes of public and private sectors.
- ii) To compare the mutual fund schemes of SBI, UTI, HDFC, JM Financial and Market Index.
- iii) To compare the equity fund dividends, equity fund growth, balanced fund dividend, balanced fund growth of these selected firms.

RESEARCH METHODOLOGY

In this research work, we are going to compare the mutual fund schemes of SBI, UTI, HDFC, JM Financial and Market Index. Here, we have compared the equity fund dividends, equity fund growth, balanced fund dividend, balanced fund growth of these selected firms.

**INVESTMENT AND SAVING SCHEMES OF PUBLIC AND PRIVATE
SECTOR****EQUITY FUND DIVIDENDS**

From table 1, it is analyzed that the average return % in SBI for the session 2015-17 was observed to be 14.71 and on the other hand, the minimum return % was 13.6 in the year 2015 and the maximum return % was calculated to be 16.23 in the year 2017.

Similarly, UTI had an average return % of 10.5 in the year 2015-17. A percentage return of 9.8 was observed for UTI in 2015, and this was evaluated to be 10.3 in the year 2016-17, the return % in UTI was recorded to be 11.5%.

Table 1: EQUITY FUND DIVIDENDS

Year	Percentage of Return				
	SBI	UTI	HDFC	JM Financial	Market Index
2015	13.6	9.8	10.2	8.4	10.7

2016	14.3	10.3	11.7	7.2	11.4
2017	16.23	11.5	13.6	9.8	13.10
Average	14.71	10.5	11.83	8.5	11.73

Similarly, in case of HDFC; an average return % of 11.83 was recorded in 2015-17 session where return % was noted to be 10.2 for the year 2015 and same was observed to be 11.7 in 2016 and lastly, a healthy upward movement was recorded in 2017 with a return % of 13.6.

The mean return % of 8.5 was observed for the JM Financial for the session 2015-17 where a return % of 8.4 was noted in the year 2015 and a lowest return was recorded in 2016 with 7.2% while a god jump in the return % was evaluated for the year 2017 with a percentage return of 9.8.

Here, the market index was evaluated to be 10.7% and a respective jump in the upward direction was recorded for the session 2016-17 and the market index % was analyzed to be 11.4 and 13.10 respectively. Lastly, the market index was found to be 11.73 for the session 2015-17.

EQUITY FUND GROWTH

A good return % of 13.8 was seen in case of SBI fund in 2017 in terms of investment and on the other hand, a return % of 12.4 and 13.1 were recorded for the session 2015-17 respectively. In this case, the mean return % was analyzed to be 13.1.

Similarly, for UTI fund, the return % of 8.7 was recorded for the session 2015 and was reduced to 7.2 in the next year i.e. 2016 and the maximum return % was evaluated to be 9.1 for 2017 session. As a result, the return % of SBI fund was calculated to be 8.3 for the whole session of 2015-17.

Table 2: EQUITY FUND GROWTH

Year	Percentage of Return				
	SBI	UTI	HDFC	JM Financial	Market Index
2015	12.4	8.7	9.4	8.4	9.3
2016	13.1	7.2	8.9	8.9	10.14
2017	13.8	9.1	9.7	9.2	11.2
Average	13.1	8.3	9.3	8.83	10.21

Table 2 also summarizes that for the funds related to HDFC, the average return % was observed to be 9.3 in the years 2015-17 having the minimum return % of 8.9 in 2016 and the maximum return % of 9.7 for the year of 2017.

Similarly, in case of JM Financial fund, the return % of 8.4 was found in 2015 in terms of JM Financial fund. On the other hand, the return % was evaluated to be 8.9 for the session 2016 and lastly, this % was recorded to be 9.2 in 2017. Finally, the mean average of percentage of

return in case of JM financial fund was recorded to be 8.83 for the session 2015-17.

Lastly, the evaluation of the market index was performed where the average % was evaluated to be 10.21. Here, the minimum return % was observed to be 9.3 for the session 2015 and the maximum return was recorded to be 11.2 % in 2017.

BALANCED FUND DIVIDEND

Table 3: BALANCED FUND DIVIDEND

Year	Percentage of Return				
	SBI	UTI	HDFC	JM Financial	Market Index
2015	8.3	6.1	8.4	7.38	7.67
2016	9.45	7.3	8.8	5.31	6.43
2017	10.3	8.6	9.6	7.98	8.54
Average	9.35	7.33	8.93	6.89	7.54

Table 3 concludes that in the year 2017, the maximum return % of 10.3 was done by SBI fund on its investment and here, 8.3% was the minimum % of return in the year 2015. For the whole session of 2015-17, the average return % was found to be 9.35.

Similarly, in this case, 6.1% was found to be the minimum return % in case of UTI fund for the year 2015 while 8.6% was the maximum range of

return in the year 2017. In this case, the mean return % was recorded to be 7.33 for the session 2015-17.

Here, the mean return % was recorded to be 8.93 for the years 2015-17 for the HDFC fund. Here, in the year 2015, the return % was found to be 8.4 and a rise in the percentage of return was noted as the average return % was evaluated to be 8.8 and 9.6 respectively for the session 2016-17.

Table 3 also depicts that there was a return % of 6.89 for the session 2015-17 in case of JM Financial fund with the minimum return % of 5.31 in 2016 and in the next year i.e. 2017, this return was found to be the greatest i.e. 7.98.

Here, in case of market index, the mean return percentage was found to be 7.54 for the session 2015-17 with a healthy return % of 7.67 in 2015 and this return was observed to be 8.54% in 2017.

BALANCED FUND GROWTH

Table 4: BALANCED FUND GROWTH

Year	Percentage of Return				
	SBI	UTI	HDFC	JM Financial	Market Index
2015	9.69	8.77	9.41	8.43	7.23
2016	10.11	9.56	8.13	9.83	5.68
2017	11.34	9.89	10.12	11.10	8.69

Average	10.38	9.40	9.22	9.78	7.2
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Table 4 depicts that a return of 9.69% was made in case of SBI fund in 2015 and a good jump in the return percentage was noted in 2016 with percentage of return of 10.11 and this percentage was recorded to be 11.34 in 2017. After the analysis, the mean return was recorded to be 10.38 for the session 2015-17.

This table also summarizes that a percentage return of 8.77 was found in case of UTI fund in 2015 and this percentage return was recorded to be 9.56 in 2016 and the same return was found to be 9.89 for the year 2017 with a little increment. Also, the average percentage of return on investment was evaluated to be 9.40 for the session 2015-17.

In the same way, the mean return % was yielded to be 9.22 for the HDFC funds with a return percentage of 8.13 for the session 2016 which is supposed to be the lowest return of that year. Similarly, the maximum return was found to be 10.12 in 2017 with return % of 10.12.

This table also shows that there was a percentage of return was of 8.43 for the JM Financial funds in 2015 and some rise in the percentage of return was found in 2016 with the return of 9.83% and a return of 11.10 was found for the session 2017 on the investment and the overall average of return was evaluated to be 9.78%.

Here, the percentage of return was 7.2 for the market index. The minimum return was found in 2016 with 5.68 % and the maximum percentage of return was 8.69 in 2017.

INDEX RETURN**Table 5: INDEX RETURN**

Year	Absolute returns%
2015	11.51
2016	11.69
2017	12.43
Average	11.87

CONCLUSION

The findings show that mutual funds as an investment option have displayed tremendous growth potential when the markets are optimistic and when wise choices are made. They have performed much better than traditional investment options in the long term and thus help investor beat inflation to some extent. It is of paramount importance that investors do not make a rash decision simply by looking at the return figures generated by an individual fund, they should compare funds based on the risk and return analysis and find out which fund is giving

better returns commensurate to the risk taken. Statistical analysis helps investors make a wise decision looking at facts based on numbers instead of just going by their gut feeling. Also compared to the traditional options, mutual funds provide a more professional approach towards investment and some amount of diversification.

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