



INDIVIDUAL PORTFOLIO MANAGEMENT –A STRATEGIC MOVE FOR FUTURE

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ABSTRACT :

Future is highly uncertain and in this world of uncertainty it is very important for an individual to plan its investment. Investment planning mainly depends upon two factor risk and return, so it is of utmost importance for an individual to diversify his/ her investment in such a way that yield him maximum return and the best way to earn a stable, continuous and maximum return is through effective portfolio management. Thus the paper highlights the basic procedure that facilities an individual in effective portfolio management. The paper also talks about the awareness among the individuals regarding portfolio management and the benefits that are derived through portfolio management.



KEYWORDS : Portfolio Management, Risk and Return, Individual.

INTRODUCTION

The world is growing and developing with its own pace, similarly it's important for an individual to speed up simultaneously in-order to match up the pace of growing world. Things around us are changing rapidly, things around are becoming expensive due to innovation, modernization and change in technology. So, it becomes very crucial for an individual to manage its money for rainy day i.e. for crucial face of life or during retirement. Investment is a part of income that an individual keeps aside believing that it will earn him returns later but this return is attached with risk which is vital to be managed. Henceforth investment of an individual should be the bundle of portfolio which is required to be managed so that risk and return can be balanced off.

Portfolio is basically the group of investment of an individual consisting of elements like shares, bonds, mutual funds, safe deposits, time deposits, cash etc depending upon the amount of investment and risk appetite of an individual. Portfolio management deals with managing the portfolio created by an individual in such a way that its investments are diversified and create a bridge between risk and return. Portfolio management is just as a SWOT analysis of various investment avenues that are available in the market and one has to choose such avenues that boosts up his or her capital amount and benefits him or her in future. Portfolio management is mainly an art of managing risk associated with various investment options available in the market, its only through portfolio management where in an individual can evaluate the value of his or her invest its hard earned money which facilities him to invest in best diversified way. Simply portfolio management works on one principle minimum risk maximum return.

OBJECTIVE OF THE STUDY AND METHODOLOGY:

Creating a portfolio of an investment and carrying its portfolio management is very crucial work for an individual. For which he has to derive certain idea about portfolio management. So from individual view point following are the basic objective of the study:

- Analyzing the awareness among individual about portfolio management
- How do individuals get benefited through portfolio management

METHODOLOGY:

The data for the research work are purely based on primary work through the method of questionnaire. There were several question framed and responded were asked to fill up the questionnaire and thus the results are derived depending upon the answers given by the responded. The sample size of the data is 100

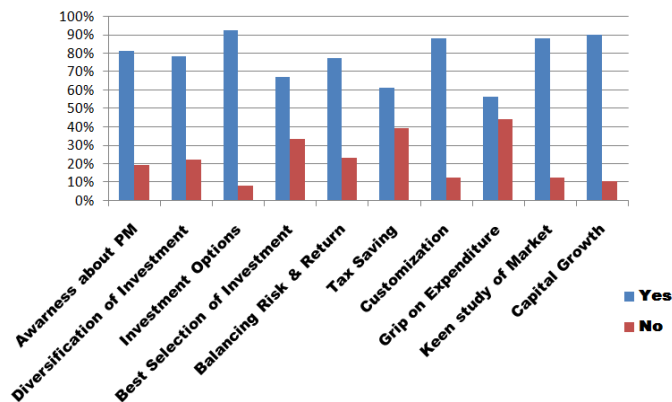
Investment sounds to be very easy terminology but it is not as simple as it looks. In layman terms investment means keeping aside some of our saving but that really does not mean investment. Investment relates to making of portfolio and it is important to known whether individual are aware regarding portfolio and its management. Based on the above stated objective questionnaire was prepared to evaluate the awareness among the individual regarding portfolio creation and its management. The questionnaire also helped to know the various benefits that are derived when an individual's undertakes portfolio creation and its management. Below is the table frame of several questions that were been asked and the outcome was interpreted:

Questionnaire

| Sr. No. | Questions | Yes | No |
|---------|---|-----|----|
| 1 | Are you aware about portfolio creation and portfolio management? | | |
| 2 | Do you diversify your investment into various investment options available in the market? | | |
| 3 | Are you aware about number of investment option regarding portfolio creations that are available in the market like share, bonds, mutual funds etc? | | |
| 4 | Do you think that portfolio management facilities you in best selection of strategic pool of investment? | | |
| 5 | Do you think that portfolio management helps you in balancing risk and return factor? | | |
| 6 | Do you think that effective portfolio management leads to tax saving? | | |
| 7 | Do you think that portfolio management leads to customization i.e selecting investment avenues of your choice? | | |
| 8 | Do you think that portfolio creation and its management leads to creation of grip on you expenditure? | | |
| 9 | Do you think that portfolio management helps you to keenly study the market? | | |
| 10 | Do you think that portfolio management leads to your capital growth? | | |

ANALYSIS AND INTERPRETATION:

Depending upon the above questionnaire that was being filled up by the responded graph was plotted that depicts the graphical representation of the data analyzed:



INTERPRETATION OF RESULTS:

In current scenario investment refers to diversified means of earning income by investing capital into diversified fund available in the market and from the above graphical representation it is very clear that individuals are really aware about what are portfolio creation and its management. More than half of the individuals are also aware regarding vivid options of investment that are available in the market. So wholly we can say that yes definitely there are large chunk of people that take in portfolio creation and tries to manage it out as they observe and derive other benefits of the portfolio management too.

From the above chart we can clearly derive few benefits that an individual avail i.e individual gets benefit of best selection of investment after analyzing and scrutinizing various options available in the market. 88% of individual agrees that yes portfolio management provides them customization that balances between risk and return factor.

88% of people firmly agree that with the help of portfolio management they can keep a keen watch on ups and downs of the market and lead to another benefits of capital growth. Not much but more than 50% off people do give their conscience that few of the tactics of portfolio management also helps in tax saving. Thus overall we can say that there are definitely various benefits of portfolio management that can be attributed to portfolio creation and its management.

CONCLUSION:

Portfolio management is continuous ongoing and volatile process that changes and updates itself as per need of the individuals and as per the need of changing market. Thus if an individual actively manages its portfolio then surely he or she will lead to safer investment, consistent returns, capital appreciation, favorable tax saving and large diversification of investments. So to conclude portfolio creation and its management facilities an individual's during its future stages of lie hence a strategic move today pays off in future.

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