MANAGEMENT OF PORTFOLIO – A RESEARCH STUDY OF INVESTORS IN MUMBAI

QUESTIONNAIRE

Dear Investors,

I am pursuing Ph.D from JJT University on the topic “Management of Portfolio – A Research Study of Investors in Mumbai” I shall be obliged if you kindly provide the information on various questions in Questionnaire. It is assured that the information provided by you will be used only for research purpose and will be kept confidential. It is your kind co-operation that would help me to achieve proper result in this research.

Thanking you.

Mahesh A. Mahajan

PART - A (PROFILE)

1. NAME: ………………………………………………………………………...

2. PLACE: Central Mumbai Western Suburb Eastern Suburb

3. A) GENDER: Male Female

B) MARITAL STATUS: Married Unmarried


5. EDUCATIONAL QUALIFICATIONS:

☐ Upto S.S.C. ☐ H.S.C ☐ Graduate ☐ Post Graduate ☐ Professional

6. OCCUPATION:

☐ Business ☐ Professional ☐ Government Service

☐ Private Service ☐ Retired

7. ANNUAL INCOME (Rs.):

☐ Less than 1 lakhs ☐ 1 – 3 lakhs ☐ 3 – 5 lakhs

☐ 5 – 8 lakhs ☐ 8 – 10 lakhs ☐ 10 lakhs and above

8. Total No. of members there in your family: [.........]
PART - B (INVESTMENT DETAILS)

1) What is your annual household savings (%)?
   □ Upto 20%  □ 21 – 30%  □ 31 – 40%  □ 41% and Above

2) What is your investment (%)?
   □ Upto 20%  □ 21 – 30%  □ 31 – 40%  □ 41% and Above

3) What is your investment time horizon?
   □ Short term      □ Medium term      □ Long term
   □ Depends on Objective of Investment

4) How do you plan your investment?
   □ Through Financial Planner
   □ On your own study
   □ Advise from Friends/Relatives
   □ Help of Portfolio Management Service Provider

5) What is the objective of your Investment?
   □ Regular Returns      □ Tax planning      □ Retirement planning
   □ Capital Gain/Appreciation □ All of the Above

6) From where do you get information about investment and investment avenues?
   (Multiple Tick Marks Allowed)
   □ Relatives and friends    □ Websites (www) / Internet
   □ Financial Planner        □ Newspaper / Magazines
   □ TV channels / Advertisements

7) In which of the following investment avenues you have invested?
   □ Shares              □ Debentures / Bonds
   □ Government Securities □ Company fixed deposits
   □ Bank deposits         □ Post office saving schemes
   □ Insurance Policies Gold / Silver □ Mutual funds
   □ Real estate            □ Gold & Silver
8) What are your Tax saving Instruments? (Multiple Ticks Allowed)

☐ Public Provident Fund (PPF)  ☐ Life Insurance  ☐ Fixed deposit
☐ Mutual funds  ☐ Housing loan  ☐ Infra bonds
☐ NSC / KVP

9) Which is the most preferable Tax Saving investment?

☐ Public Provident Fund (PPF)  ☐ Life Insurance  ☐ Fixed deposit
☐ Mutual funds  ☐ Buying a House  ☐ Infra bonds

10) Do you agree that you have strong knowledge in the field of investment?

☐ Strongly agree  ☐ Agree  ☐ Somewhat agree  ☐ Disagree

11) How many years has it been that you have been investing?

☐ Fresher  ☐ Two years  ☐ Five years  ☐ Ten years
☐ More than Ten years

12) How much satisfied are you with your investments?

☐ Very satisfied  ☐ Satisfied  ☐ Somewhat satisfied  ☐ Dissatisfied

13) Rate [ ] your awareness with respect to different investment Avenues?

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14) Do you find difficulties in differentiating various investment avenues?  YES  NO
15) In which of the following life insurance products have you invested? *(Multiple Ticks Allowed)*

- ☐ Term Insurance
- ☐ Whole life insurance
- ☐ Money back policy
- ☐ Endowment policy
- ☐ Annuity / Pension Plans
- ☐ ULIPs
- ☐ NONE

16) In which insurance product you would like to invest in future?

- ☐ Term Insurance
- ☐ Whole life insurance
- ☐ Money back policy
- ☐ Endowment policy
- ☐ Annuity / Pension Plans
- ☐ ULIPs
- ☐ Children plans
- ☐ NONE

17) In which of the following Mutual fund schemes/products have you invested? *(Multiple Ticks Allowed)*

- ☐ Equity schemes
- ☐ Balanced schemes
- ☐ Income schemes
- ☐ ELSS
- ☐ FMP
- ☐ MIP
- ☐ NONE

18) Do you prefer Systematic Investment Plan (SIP) over one time investment? ☐ YES ☐ NO

19) Which kind of real estate investment have you made? *(Multiple Ticks Allowed)*

- ☐ Residential property
- ☐ Commercial property
- ☐ N.A. Plots
- ☐ Agricultural land
- ☐ NONE

20) Why do you prefer real estate investment as a part of your portfolio?

- ☐ Capital growth
- ☐ Rental income generation
- ☐ Higher Returns
- ☐ NA

21) If you want to invest your money in Fixed Deposit, where will you invest?

- ☐ Bank fixed deposit
- ☐ Company fixed deposit
- ☐ Post office deposit

**PART – C (PORTFOLIO MANAGEMENT)**

1) Are you aware of the concept of portfolio management? ☐ YES ☐ NO

2) What problem do you face in designing your portfolio?

- ☐ Lack of awareness
- ☐ lack of time
- ☐ lack of knowledge
- ☐ No Proper Advice.

3) How do you intend to use the income earned by your investment portfolio?

- ☐ Reinvest at least 80%
- ☐ Reinvest between 20% and 80%
- ☐ Receive at least 80%
4) What factor would you consider most important before choosing an Investment Avenue?

☐ Quick Gains ☐ Steady Growth ☐ Regular Returns ☐ Safety of Principle

5) Your decision to invest depends upon?

☐ Past Performance ☐ Industry Analysis ☐ Company Analysis
☐ Credit Rating ☐ Economic Scenario ☐ All of the above
☐ Others

6) What percent of your investment go in equity market?

☐ Less than 10% ☐ 11 – 20% ☐ 21 – 30% ☐ 31 – 40%
☐ Above 40% ☐ NONE

7) Have you taken Portfolio management service for creating your investment portfolio?

YES ☐ NO ☐

8) Would you like to take service of Portfolio manager in future for investing your hard earn money?

YES ☐ NO ☐ CAN'T SAY

9) How much portion of your portfolio belongs to riskier asset class?

☐ Less than 10% ☐ 11 – 20% ☐ 21 – 30% ☐ 31 – 40%
☐ Above 40% ☐ NONE

10) Do you do investment trading on a regular basis?

☐ Regular ☐ Once in a week ☐ Once in a month ☐ NO

11) What type of investor are you?

☐ Risk taker ☐ Moderate risk taker ☐ Risk averse

12) What are your Liquid Investments? (Multiple Ticks Allowed)

☐ Shares ☐ Mutual Funds ☐ Gold / Silver ☐ Bank Deposits

13) According to you what is the risk in your investment?

☐ Depression phase in market ☐ Fall in Sensex / Nifty ☐ Inflation
☐ Fluctuations in Interest rates ☐ Global Turnaround ☐ Recession
☐ ALL OF THE ABOVE
GOLDEN RULES OF PORTFOLIO INVESTMENT

1) START SAVING EARLY AND SAVE REGULARLY

Many young people, despite earning well, do not seem to pay much attention to savings and investments. They perhaps believe that they have a long productive career ahead of them and they need not worry about building a nest egg at an early age. They probably do not fully realize the benefit of growth over time. To tap this benefit you should start investing early and invest regularly over a long period. The magic of compounding works wonders over time.

2) MAINTAIN AN ADEQUATE CASH RESERVE AND AN APPROPRIATE INSURANCE COVER

Life is uncertain and almost everyone experiences unexpected financial needs. To cope with the catastrophes of life, you need an adequate cash reserve and an appropriate insurance cover. The amount of cash reserve may be 3 to 6 months of your monthly expenses. The most convenient forms are fixed deposits (which can be prematurely encashed) with banks and money market mutual fund schemes. As a protection against various risks, most people need insurance. You can take an appropriate life insurance cover for protecting your dependents.

3) DON’T INVEST WITHOUT A PLAN

A well thought-out plan and discipline in implementing it can safeguard your portfolio from impulsive mistakes.

4) DON’T PUT ALL YOUR EGGS IN ONE BASKET (Diversification’s the Key)

For most people, spreading your risk is good advice. Focussed investment can generate higher returns, but it takes a lot of work and extra risk. Generally, the majority of investors shouldn’t have their eggs in one basket. A mix of cash, property, and shares with about the same amount placed in each is a good strategy. Also try to
spread shares across a number of different industries and property across a number of different locations.

Spread your risk by diversifying your portfolio across a mixture of asset classes. If you put all your money into a single asset class, sector or company, your portfolio is very exposed and performance is likely to be volatile – whereas, if you mix it up, when one asset is going down, chances are, another asset could be going up and will help compensate. Don’t put all your eggs in one basket. Spread your investments across asset classes like equities, bonds, real estate, gold and so on, depending on your asset allocation plan. Make sure you stick to the plan despite the performance of a particular market or asset class.

5) **BUY WHAT’S RIGHT FOR YOU**

Just because an investment works well for somebody else does not mean it is right for you. Consider your own situation – your future liabilities, your investment goals and, most importantly, your appetite for risk – and then make your own decision.

6) **INVEST FOR THE LONG TERM AND NOT SHORT TERM**

It’s hard work – and largely pointless – trying to time your investment so you buy right at the bottom and sell right at the top. Similarly, trying to make short-term profits by turning over investments quickly will get expensive and carries a high risk. Instead, target your portfolio at quality companies or funds and then allow them the time and space they need to grow.

7) **NEVER BUY WHAT YOU DON’T UNDERSTAND**

History is littered with funds which promised a great deal but which, when faced with pressure from the market, collapsed with all those promises broken. Some shares or funds might sound very exciting and, indeed very simple, but if you don’t understand exactly what the company does or how the fund works, steer clear.
8) **IF AN INVESTMENT HAS RISEN SUBSTANTIALLY, TAKE ANOTHER LOOK**

There is an old rule of thumb which says ‘when your investment doubles, sell half’. Short-term sentiment in stock markets can drive values artificially high, in which case, you may want to cash in while you can. Don’t get greedy – you should never be ashamed to take a profit.

9) **KNOW WHEN TO SAY GOODBYE**

If a holding has performed particularly badly relative to its peers, you need to consider cutting your losses and selling it altogether. It might be better to sell out and reinvest the proceeds into a quality alternative than to sit around hoping to recoup your loss.

10) **BE YOUR OWN PERSON – DON’T FOLLOW THE HERD**

Just because your neighbour is making money in the stock market or real estate market does not mean you also should follow him. Select investment avenues as per your investment objectives before taking the plunge. It is hard to turn against the flow but always take a step back and think not just about what you are buying, but why. Just take a deep breath. Try to understand what is happening before hitting the sell or buy button.

11) **DON’T BELIEVE EVERYTHING YOU READ!**

Headlines on TV and in the finance sections of newspapers can be just as misleading without investigation as they are in celebrity news and sport. Make sure you keep a clear head, remain focused on your objectives and take advice from a qualified professional, if you need to, to ensure you are making the most of your investment portfolio.
12) DON’T LET EMOTIONS GUIDE YOUR INVESTMENT DECISIONS

It’s wonderful if a holding has worked for you, but you don’t have to feel grateful: the share doesn’t know that you own it. You should look at every existing investment with the same clear-headed objectivity as you did before you bought it – and when it’s time to sell, do so with a clear conscience. Great investors throughout history have recognised the value of making decisions that may not feel good at the time but that will bear fruit over the long-term, such as investing in areas of the market that investors are avoiding and avoiding areas of the market that investors are embracing. In short don’t get emotionally attached to your investment.

13) REVIEW YOUR PORTFOLIO REGULARLY

You will have set up your portfolio to meet your objectives based on your needs today. However, over time, your needs and circumstances can change. The markets can also change – and your portfolio may need the odd tweak to make sure it keeps up. Review it regularly – perhaps every one to three years – and make sure it stays on track.

14) TAKE HELP FROM PROFESSIONAL FINANCIAL ADVISOR

If you would like to take a closer look at your own circumstances and discuss the best mix of investments to meet your needs, you may wish to speak to a professional financial adviser.

15) AVOID SELF DESTRUCTIVE INVESTOR BEHAVIOUR

Chasing the hot-performing investment category or making major changes to your long-term investment strategy can sabotage your ability to build wealth. Instead, work closely with your adviser to outline your long term goals, develop a strategy to achieve them and set the expectation that you will stick with it when faced with difficult volatile and challenging markets.
16) ALWAYS HAVE INFLATION AND TAX IN MIND

As a investor, you should always be thinking about what effect inflation and tax are going to have on your returns. If the inflation rate is 8%, then you have to generate at least that amount every year just to maintain the purchasing-power of your capital. In other words, a 8% return in such an environment is really equivalent to a 0% return. The same holds true for tax. If the government is going to grab half of anything you make, then you should note this before making any decision.

17) DON’T FALL IN LOVE WITH YOUR INVESTMENT

Investors often do not want to sell shares or mutual funds in which they are losing money or restructure their portfolios as per the advice from experts because of a mental block. This is because most people tend to do some mental calculations that they will sell only at a particular price – mostly well above the purchase price. However, one should realize that cutting losses – if required by changes in the market on other fundamental reasons – is a must if one wants to make money in the long term.

18) DON’T CONFUSE INVESTING AND TRADING

Trading is short-term and investing is long-term. Getting confused between the two can be a sure way to lose money.
LIST OF PAPERS PUBLISHED


LIST OF PAPERS PRESENTED

A) NATIONAL CONFERENCES


B) INTERNATIONAL CONFERENCES


2. Presented paper on “Strategic Management of Investment Portfolio” in the International Commerce and Management conference on “Strategies Management in Global Scenario; Challenges and Opportunities ” organized by University of Mumbai. (2012)
