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-Shikshanmaharshi Dr. BapujiSalunkhe

Shri Swami VivekanandShikshanSanstha’s

VIVEKANAND COLLEGE, KOLHAPUR (*AUTONOMOUS*)

Department of Economics

Topic: **Accessing Capital Market &
Mutual Fund**

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Direct Trading

- **Direct Investment method in the stock market- can open a securities account with your bank or an online broker specializing in the stock market.**
- Risk
- Clear about concepts
- Practical knowledge of analysis
- Research mind
- Idea – time, charts, pattern, candlesticks, analysis tools

Indirect Trading-

- via- investment fund/ mutual fund
- Many people invest in the stock market primarily through **mutual funds** and/or Fund Management companies. This gives them indirect stock ownership.
- the **mutual funds** are the largest form of **indirect investing** in terms of amount invested in **funds**.

Mutual Fund

- Investment Points
 - Risk
 - Returns
 - Volatility
 - Liquidity

Mutual Fund

A **mutual fund** is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the **mutual fund** are known as its portfolio.

Mutual Fund

- Risk – Moderate
- Returns- long term – more than 10%
- Volatility- High
- Liquidity- High

Types of Mutual Fund

- **Equity MF-** These are one of the most popular mutual fund schemes. They allow investors to participate in stock markets. Though categorised as high risk, these schemes also have a high return potential in the long run.
 1. **Sector-specific funds**
 2. **Index funds**
 3. **Tax saving funds- Equity Linked Saving Schemes (ELSS)-**
tax deduction claim 80c- 1961- min. 3 years lock in period

- Debt MF-

These funds invest a majority of the money in debt - fixed income i.e. fixed coupon bearing instruments like **government securities, bonds, debentures, etc.**

They have a low-risk-low-return outlook

- Hybrid MF(MIP)-

These funds are similar to **balanced funds** but the proportion of equity assets is lesser compared to balanced funds. Hence, they are also called marginal equity funds. They are especially suitable for investors who are retired and want a regular income with comparatively low risk.