

# Importance of Saving Money & Strategies for Investment

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*Abstract- This paper is about the “Importance of saving money and strategies for investment”. We have studied about the how to invest your saving money. In the current economic scenario only earning money is not sufficient to lead the comfortable lifestyle, we must have good knowledge of mode of investment as the inflation rate is annually increasing. To meet our future & contingent expenditure (child education, children marriage and retirement planning etc). There is need to fix financial goal to met all the future expenditure. That’s why we need to invest our saving money strategically & intellectually.*

company through  
www.moneycontrol.com, www.moneyrediff.com etc.

“Investing Mantras by Ramesh Daman (Member of BSE)”

- Buy multibagger stock(undervalued + high growth potential)
- Long term Investment
- Not follow the crowd and think differently
- Do proper research by yourself and then purchase the company share

Stock broking companies in India



Image sources- <https://enews.rkfml.com/wp-content/uploads/2018/05/full-service-brokers.jpg>

## I. INTRODUCTION

There are many ways of Investment [Investing in stock exchange market, Mutual fund schemes, Real estate, Fixed deposits and purchasing of gold etc.]. To invest in the stock & mutual fund schemes one must have good analytical knowledge about the financial performance of the company.

### • HOW TO INVEST...

To invest in the stock exchange market. We need to open demat account with the broking company. These broking companies are Zerodha, 5 paisa, Sharekhan and Angel Brokers etc.

Ways to invest saving money

There are various ways of investing our save money. These are as follows:

## II. STOCKS

Stock, also Known as company shares, are the most famous mode of investment in India. When we buy a company’s share, we buy ownership In That Company That gives us opportunity to contribute in the company growth. Shares are issued by the company through the Primary and Secondary market. We can purchase & hold the shares for the short and long term period of time. We can get the financial information of the

## III. MUTUAL FUNDS

Mutual fund is another mode of investment in which portfolio manager manages the fund of investors through investing the investor money in diversifying stocks.

Mutual fund is good option for those investors who have less knowledge of stock exchange market and don’t have time to analyse the financial performance of company.

Investing in Mutual fund is very less risky as compare to directly purchase of company share because stock exchange market is highly volatile.

“Mantras of selecting best Mutual fund schemes by ProCapital MohdFaiz”

- Analyzing the movement in NAV(Net asset value)
- Experience of portfolio Manager in the Investing Industry, More the experience good to invest in particular mutual fund scheme.
- Fund allocation by portfolio manager, more the amount of fund allocation good to invest in particular mutual fund scheme.
- Very important to know that your portfolio manager is investing in which company

Mutual Fund companies in India



Image source-

<https://4.imimg.com/data4/FG/JD/ANDROID-39131118/product-500x500.jpeg>

#### IV. FIXED DEPOSITS

Fixed deposits are another way of investing your saving money for a fixed period of time. The rate of interest on fixed deposit is fixed and services are levied before the maturity of period. It is risk free as compare to stock exchange market followed by mutual fund schemes.

Rate of Interest offering on fixed deposit by different banks in India

FD Interest Rates of Major Banks for Tenure Less than 1 year (Mar 2020)								
Bank Name	7 days to 14 days	15 days to 29 days	30 days to 45 days	46 days to 60 days	61 days to 90 days	91 days to 6 months	6 months to 9 months	9 months to less than 1 year
HDFC Bank	3.50%	4.00%	4.90%	5.40%	5.40%	5.40%	5.80%	6.05%
ICICI Bank	4.00%	4.25%	4.75%	5.25%	5.25%	5.25%	5.25%-5.75%	5.75%-6.00%
Axis Bank	3.50%	4.25%	4.90%	5.40%	5.40%	5.40%	5.80%	6.05%-6.40%
Kotak Mahindra Bank	3.50%	4.00%	4.50%	5.10%	5.10%	5.25%-5.30%	5.80%	6.05%
Indusind Bank	4.00%	4.25%	5.00%	5.50%	5.50%	5.75%	6.00%	6.25%
Yes Bank	5.00%	5.00%	5.00%	6.25%	6.25%	6.25%	6.85%	7.15%
IDFC First Bank	4.00%	5.00%	6.25%	6.50%	6.50%	6.75%	7.00%	7.00%
State Bank of India	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%	5.50%	5.50%

Image source-

<https://i1.wp.com/blog.investyadnya.in/wp-content/uploads/2020/03/FD-Interest-Rates-of-Major-Banks-for-Tenure-less-than-1-year-March-2020.png?w=640&ssl=1>

#### V. INVESTING IN GOLD

Gold is the most popular as an investment. Investors generally buy gold as a way of diversifying risks, especially through the use of future contracts and derivatives. Compared to other precious metals used for investment, gold has the most effective safe haven and hedging properties across a number of countries.

#### VI. INVESTING IN REAL ESTATE

Real estate is generally a great investment option. It can generate ongoing passive income and can be a good long-term investment if the value increases over time. According to global property consultant Colliers, India's real estate sector is likely to rise by 5 percent to \$6.5 billion (around 46,000 crore this year), driven mainly by huge demand for commercial office assets from IT firms.

#### CONCLUSION

We do not live in a world where we take each day as it comes. Financial emergency may arise at any time. It is needless to say that having a savings/investment portfolio is important. Money is something that is exchanged also something that is saved. So, it is very important to save and invest the money to meet the future & contingent expenditure safely & comfortably.

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