

## A STUDY OF INVESTMENT PORTFOLIO MANAGEMENT OF KARVEY COMPANY

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### ABSTRACT

Investment portfolio management plays a vital role in helping investors achieve their financial goals while balancing risk and return. The present study focuses on analysing the investment preferences, risk perception, and portfolio management practices of investors associated with Karvy Company. The study examines various investment avenues such as equities, mutual funds, fixed deposits, real estate, gold, and other financial instruments. A structured questionnaire was used to collect primary data from 210 respondents, and the collected information was analysed using percentage analysis and other statistical techniques. The findings reveal that investors prefer low-risk and moderate-risk investment options due to safety and stable returns. Demographic factors such as age, education, occupation, and income significantly influence investment decisions. The study also highlights the growing awareness of mutual funds and equity investments among retail investors. Portfolio diversification emerged as a key strategy for minimizing risk and enhancing returns. The results indicate that investors increasingly focus on systematic financial planning and annual savings targets. Effective portfolio management not only improves wealth creation but also supports long-term financial security. The study concludes that investor education, financial literacy, and professional advisory services are essential for developing efficient investment portfolios and achieving sustainable financial growth.

**Keywords:** Investment Portfolio Management, Risk and Return, Mutual Funds, Investor Behaviour, Portfolio Diversification, Financial Planning, Equity Investment, Karvy Company.

### I. INTRODUCTION

Investment portfolio management refers to the systematic process of selecting, allocating, monitoring, and managing financial assets to achieve specific investment objectives while maintaining an acceptable level of risk. Modern portfolio theory emphasizes diversification as a strategy to maximize expected returns and minimize investment risk [1]. Investors allocate their resources among various financial instruments such as equities, bonds, mutual funds, fixed deposits, gold, and real estate to create balanced portfolios [2]. The increasing complexity of financial markets has encouraged investors to seek professional portfolio management services [3]. Portfolio management helps investors identify suitable investment opportunities based on their risk tolerance and financial goals [4]. Effective portfolio construction requires a detailed understanding of market conditions and investment alternatives [5]. Risk-return trade-off remains one of the fundamental principles guiding investment decisions [6]. Investors generally seek optimal returns while maintaining acceptable risk exposure [7]. Financial literacy significantly influences investment behaviour and portfolio performance [8]. Demographic variables such as age,

gender, income, and occupation also affect investment decisions [9]. The growth of mutual funds has provided retail investors with opportunities for professionally managed diversified portfolios [10]. Technological advancements have further transformed investment practices through online trading and digital advisory platforms [11]. Investor awareness regarding financial products has increased substantially in recent years [12]. Portfolio diversification remains a key strategy for reducing unsystematic risk [13]. Long-term investment planning contributes significantly to wealth creation and financial stability [14].

The Indian financial market has witnessed remarkable growth due to economic liberalization and technological development [15]. Increased participation of retail investors has strengthened the demand for effective portfolio management services [16]. Financial institutions and brokerage firms play an important role in guiding investors toward suitable investment avenues [17]. Karvy Company has emerged as a prominent financial service provider offering investment advisory and portfolio management solutions [18]. Understanding investor preferences is essential for designing appropriate financial products [19]. Behavioural finance studies indicate that psychological factors influence investment decisions beyond traditional financial theories [20]. Herding behaviour, overconfidence, and risk perception often affect portfolio choices [21]. Investors increasingly prefer diversified investment strategies to manage market volatility [22]. Mutual funds have become popular due to professional management and accessibility [23]. Equity investments continue to attract investors seeking higher returns [24]. Fixed-income instruments remain preferred among conservative investors [25]. Portfolio management also supports retirement planning and long-term wealth accumulation [26]. Economic conditions and market fluctuations significantly impact investor confidence [27]. Investor education programs contribute to informed decision-making and risk management [28]. Financial advisors play a crucial role in portfolio optimization [29]. Therefore, studying investment portfolio management provides valuable insights into investor behaviour and investment practices in contemporary financial markets [30].

## II. LITERATURE SURVEY

Previous studies have examined various aspects of investor behaviour and portfolio management. Rajarajen Vanjeko (2020) reported increasing investor interest in equity investments and highlighted the importance of understanding investor characteristics [1]. Singh et al. (2019) found mutual funds to be the most preferred investment option among retail investors [2]. Danielsson (2010) emphasized the role of alternative investments in portfolio diversification [3]. Bryant and Liu (2011) analysed mutual fund management structures and their impact on risk and returns [4]. Olsen and Cox (2011) identified gender differences in investment risk perception [5]. Praba (2011) examined the relationship between saving objectives and investment choices [6]. The SEBI-NCAER survey highlighted investor awareness and risk preferences across India [7]. Le Phuoc and Doan (2011) found that behavioural factors significantly influence investment decisions [8]. Selvam et al. (2011) identified risk tolerance as a major determinant of investor attitude [9]. Tarakpaul et al. (2011) emphasized the need for investor awareness programs [10]. Cohen and Kudryavtsev (2012) demonstrated the influence of past market experiences on future investment behaviour [11]. Varsha Virani (2012) observed a preference for bank deposits among school teachers [12]. Hibbert et al. (2012) reported that financially literate individuals make more efficient investment decisions

[13]. Jain and Mandot (2012) highlighted the impact of demographic factors on investment choices [14]. Nagy and Obenberger (2012) found wealth maximization to be the primary investment objective [15].

Further studies focused on behavioural and demographic influences on portfolio selection. Priti Mane (2012) analysed customer perceptions regarding mutual fund investments [16]. Murithi Suriya et al. (2012) observed the dominance of female investors in specific investment segments [17]. Selvakumar et al. (2012) reported lower investment awareness among rural investors [18]. Arora and Dhameja (2013) emphasized familiarity bias in investment decisions [19]. Barber and Odean (2013) highlighted the effect of overconfidence on trading activity [20]. Markowitz (1952) introduced diversification principles in portfolio theory [21]. Sharpe (1964) developed the Capital Asset Pricing Model [22]. Fama (1970) proposed the Efficient Market Hypothesis [23]. Jensen (1968) evaluated portfolio performance measurement [24]. Treynor (1965) developed risk-adjusted return measures [25]. Kahneman and Tversky (1979) introduced Prospect Theory [26]. Shefrin (2000) explained behavioural biases [27]. Bodie et al. (2018) emphasized strategic asset allocation [28]. Reilly and Brown (2019) discussed investment analysis techniques [29]. Fabozzi (2020) highlighted modern portfolio management practices [30].

### III. RESEARCH METHODOLOGY

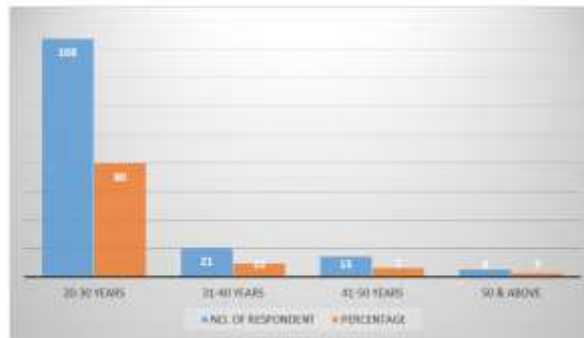
The present study adopts a descriptive research design to analyse investment portfolio management practices and investor preferences associated with Karvy Company. The research aims to evaluate investment behaviour, risk perception, portfolio diversification strategies, and factors influencing investment decisions. Both primary and secondary data sources were utilized to ensure comprehensive analysis. Primary data were collected through a structured questionnaire distributed among investors. The questionnaire consisted of demographic questions and investment-related variables covering risk tolerance, investment objectives, preferred investment avenues, savings behaviour, and portfolio allocation patterns. Secondary data were collected from journals, books, research articles, company reports, financial publications, and online databases. The study focused on understanding how investors select and manage their portfolios under varying market conditions.

A simple random sampling technique was employed to select respondents. A sample size of 210 investors was considered adequate for obtaining reliable results. Data were coded and analysed using statistical tools such as percentage analysis, frequency distribution, cross-tabulation, and descriptive statistics. Demographic variables including age, gender, educational qualification, occupation, and annual income were examined to identify their impact on investment behaviour. Risk preferences were classified into low-risk, moderate-risk, and high-risk categories. The study also investigated investor awareness regarding mutual funds, equities, fixed deposits, and other investment alternatives. The collected data were interpreted using graphical representations and tabular analysis to enhance understanding. Reliability and validity were maintained through careful questionnaire design and data verification. The methodology enabled the identification of investment trends, portfolio preferences, and behavioural factors affecting investment decisions. The findings provide valuable insights into investor attitudes and contribute to developing effective portfolio management strategies for financial institutions and individual investors.

### IV. RESULTS & DISCUSSION

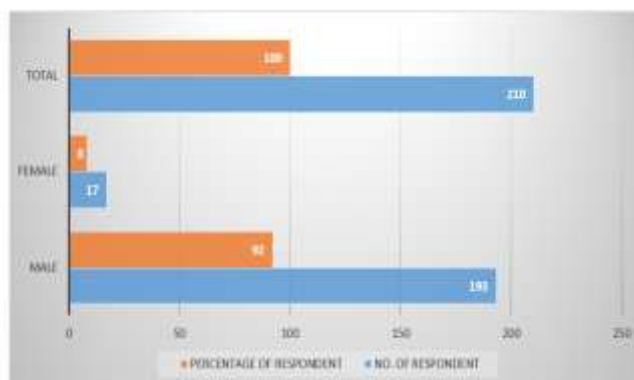
The analysis revealed several significant findings regarding investor behaviour and portfolio management practices. A majority of respondents belonged to the age group of 20–30 years, indicating active participation of young investors in financial markets. Male investors constituted a larger proportion of the sample, while graduates represented the dominant educational category. Most respondents preferred low-risk and moderate-risk investment avenues, reflecting a cautious approach toward wealth creation. Fixed deposits, mutual funds, and gold emerged as popular investment choices due to their perceived safety and stable returns.

Particulars	NO. OF RESPONDENT	PERCENTAGE
20-30 years	168	80
31-40 years	21	10
41-50 years	15	7
50 & above	6	3
Total	210	100



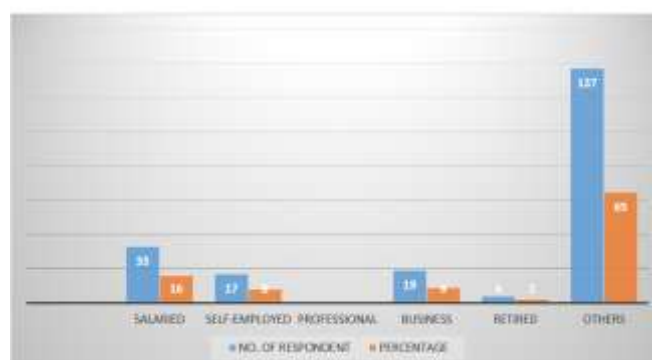
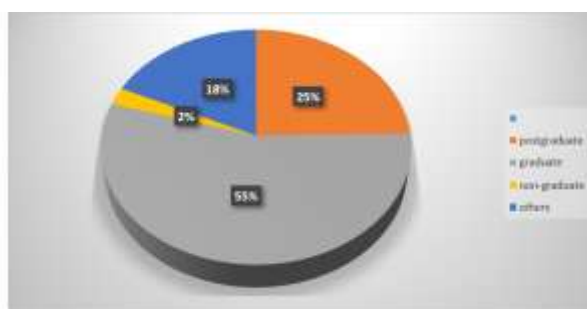
PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
male	193	92
female	17	8
Total	210	100

Source: primary Data



PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
postgraduate	52	25
graduate	115	55
non-graduate	5	2
others	38	18
total	210	100

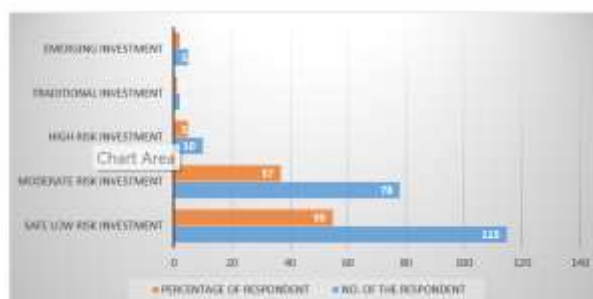
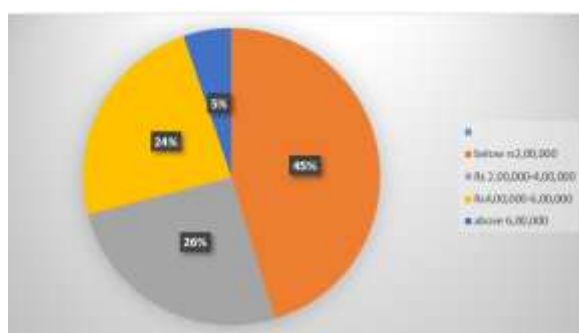
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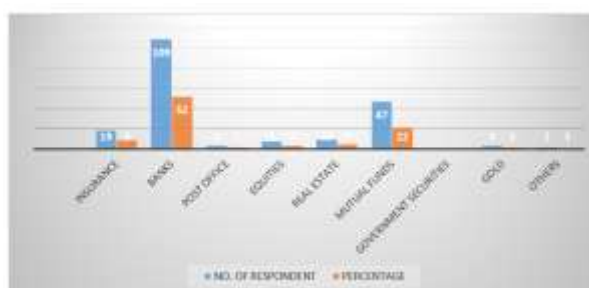
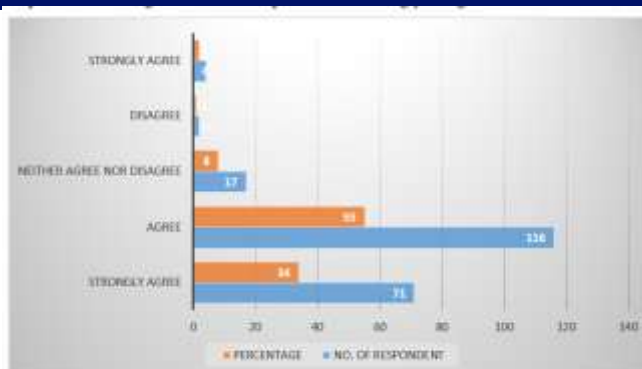
The study also found that a substantial proportion of investors maintained annual savings and investment targets, demonstrating awareness of financial planning. Income level significantly influenced investment allocation, with higher-income individuals exhibiting greater willingness to invest in diversified portfolios. Investors showed increasing interest in mutual funds because of professional management, diversification benefits, and accessibility. Risk tolerance varied across demographic groups, with younger investors displaying relatively higher risk appetite compared to older investors. Portfolio diversification was widely recognized as an effective strategy for minimizing risk and enhancing returns. Behavioural factors such as market conditions, financial knowledge, and advice from financial intermediaries influenced investment decisions. The findings support previous research indicating that investor education and awareness contribute positively to portfolio performance. Overall, the results suggest that investors are becoming increasingly informed and strategic in managing their investment portfolios. Financial institutions should therefore focus on investor education programs, personalized advisory services, and diversified investment products to meet evolving investor needs and improve portfolio outcomes.

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
below rs2,00,000	95	45
Rs 2,00,000-4,00,000	54	26
Rs4,00,000-6,00,000	50	24
above 6,00,000	11	5
total	210	100

Source: Primary Data



PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
strongly agree	71	34
agree	116	55
neither agree nor disagree	17	8
disagree	2	1
strongly agree	4	2
total	210	100



PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
local brokers	55	26
magazines & newspapers	62	29
Figure red accountants	10	5
bank	27	13
family & friends	54	26
others	2	1
total	210	100

Investment Horizon		Investment period				Total
		<1 year	1-2 years	2-5 years	>5years	
Safety principal	count	10	0	0	0	
Better return & safety	count	34	32	0	0	
Regular income	count	2	0	23	4	
Tax savings	count	0	0	0	15	
Total	count	46	32	23	19	210

## V. CONCLUSION

Investment portfolio management is an essential component of personal financial planning and wealth creation. The study demonstrates that investors increasingly recognize the importance of portfolio diversification, risk management, and systematic investment planning in achieving long-term financial objectives. The findings indicate that investor preferences are strongly influenced by demographic characteristics, financial literacy, income levels, and risk tolerance. Most investors favour low-risk and moderate-risk investment alternatives, reflecting a desire for capital preservation and stable returns. At the same time, growing awareness of mutual funds and equity investments suggests an increasing willingness to explore diversified investment opportunities.

Portfolio management enables investors to balance risk and return effectively through strategic asset allocation. Financial institutions such as Karvy play a significant role in guiding investors toward appropriate investment avenues through advisory services and portfolio management solutions. The study highlights the importance of investor education in enhancing financial decision-making and reducing behavioural biases. Improved awareness regarding financial products can help investors make informed choices and optimize portfolio performance. Furthermore, technological advancements and digital investment platforms have expanded access to investment opportunities, making portfolio management more efficient and accessible. The study concludes that successful investment outcomes depend on a combination of financial knowledge, disciplined investment behaviour, and professional guidance. Future research may explore advanced portfolio optimization techniques, behavioural finance factors, and the impact of emerging financial technologies on investment decision-making. Overall, effective portfolio management remains a critical tool for achieving financial security, sustainable wealth creation, and long-term economic well-being.

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