



Finance Funda

NEW TO THE STOCK MARKET?
AINEE NIZAMI IN A CRASH
TALK WITH HARISH PATEL, A
STOCK ANALYST, GIVES YOU
BASIC KNOWLEDGE OF WHAT
ITS ALL ABOUT

The share market today has started affecting each and every individual in its own way. So what is the market exactly all about? Here is a basic guide to understanding the 'share market' and 'mutual funds'. Today in the market you can buy as little as one share. Every transaction in the stock exchange is carried out through licensed members called brokers. To trade in shares, you have to approach a broker. However, since most stock exchange brokers deal in very high volumes, they generally do not entertain small investors. These brokers have a network of sub-brokers who provide them with orders. "At the moment the global situation of the share market may hamper your investment, but India's growth story remains intact. If you invest in good quality stocks now, over a certain period of time you will be able to make a good amount of money," says Harish Patel, a stock analyst.

Mutual fund is another arena wherein you can

invest your money. In mutual funds people pool their money with an Asset Management Company (AMC). This company in return, issues units to the investors. "They (mutual funds) are better avenues to invest money because they are managed by experienced fund managers who make proper research and analysis before investing in the market" says Mubashir Ahmedi a regular investor in the share market. Simply put, a mutual fund is nothing more than coming together of a group of investors who contribute different sums of money to make up a large lump sum. The money collected is invested by the fund manager in stocks, bonds and other securities across companies, industries and sectors. Since you own units of the fund, it makes you less reliant on the success or failure of any individual stock, which would have been the case if you had invested directly in the shares of a single company.



So the basic difference between share market and mutual funds is the fact that in the share market you invest money on your own whereas in mutual funds, the portfolio is managed by experienced & professional people who invest on your behalf.

The benefit in mutual fund is that you don't have to bother about the analysis and strategic thinking that goes into investing.

You can more information from sites like www.money-control.com:
www.bseindia.com:
www.nseindia.com. For information on mutual funds you can check out www.valueresearchonline.com.

Happy investing!

aileenizami@gmail.com

Future SAVED

INDIAN YOUTH TURNING TOWARDS SAVING AT AN EARLY AGE AND FINANCING THEIR EDUCATION IS A TREND FAST CATCHING UP, **TANAYA ADARKAR** FINDS OUT MORE INTO IT.



'Saving' is one habit that Indians across the world are known for. Saving through investment plans or in shares and stocks are a few options. Though investment plans are very easy to follow, shares and stocks are quite unpredictable.

Investment is an art which one has to master now a days. With the growing need of securing your future it is a skill, one must learn. Today's youth have discovered this and are mastering the art successfully.

Taruna Arya who is currently pursuing her MBA, worked for two years and saved her earnings in Fixed Deposits. She says, "I always wanted to do my MBA but I was also sure that I wanted to finance my education. So I began saving my earnings in monthly fixed deposits. I had to save a fixed amount every month and that helped me finance my education. At that time I got 9% interest which was great." Like her, many other students who work in call centres, are saving in various deposit

schemes to secure their future. Anand Agarwal who works in a call centre says, "I have decided that from my salary (Twenty thousand rupees) I will save about ten thousand. I am not sure of what I want to do in future but my saving habit has opened many options for me. I know that now I am independent financially and I do not have to ask for any help from my parents."

Shares and stock investment are a risky proposition. Therefore many prefer to save in Mutual funds, Government of India Bonds or Post Office Fixed Deposit schemes.

Ammar Millwala who is also pursuing his MBA worked for one year and decided to his save from his earnings and invest in a Mutual fund. He says, "With my father's advice I decided to invest in ICICI bank Mutual Funds. I bought a share at Rs. 100. Roughly I got an appreciation of 8%-9%. It is very easy to invest and also is a very safe investment." Siddharth Agarwal, a C.A.

says that, "I want to retire by fifty and have bought a huge insurance policy." He says that as he has to pay a premium every year and therefore has to compulsorily save the premium amount. He adds, "How it will work would be like this. By the time my insurance policy matures I will be ready to retire. Then I will have a monthly withdrawal scheme ready that will help me enjoy my money."

Mr. J. S. Mehta, of Punjab and Sind bank is very impressed with the attitude of today's youth and their ability to smartly invest in the various investment opportunities in the modern world. He thinks that the youth has become more futuristic and analytical. Also there are many plans that various banks are coming out with for the youths. This is giving them good opportunities to plan their finance.

adarkartanaya@gmail.com