

## **A Study on Investment Decision at Marutham Groups, Chennai**

**\* A. Sasikumar**

\* M. Phil Research Scholar, Department of Management Studies, Sacred Heart College (Autonomous),  
Tirupattur, Vellore Dt. - 635 601.

### **Introduction**

Investment can be defined as an asset or enforcing the capital with the aim of generating income and also recognition. In other words investment is acquiring of goods which are not used at present but for future use to create wealth. In terms of finance, investment is financial solvency or asset that can be bought with a plan that the purchased asset will afford income or it can be sold in future or higher cost with the motive to earn profit. There will be two different elements which are commonly accrued in investment such as time and risk. Here time is not considered as money. This means investing your money in a bank or financial organization or investing in a company to earn more than your investment. And the risk involved here is greater.

### **Investment Decision**

In terms of financial management, the investment decision can be mentioned as capital budgeting. Decision for investment or capital budgeting will not be taken as discrete acts at global business. In investment decision the word Capital only comprehends to refer to actual support which may look for any figure like building plant or apparatus, scraggly material etc. Therefore investment is mentioned as real assets. The decision in financial investment involves concerns. It always has to look at the market to see about the profit level to see if the investment is really going to be profitable and income generating activity or not. Investment decisions are made by financial experts of the organizations as to where, when and how much to deposit. It helps to measure the assets of the organization.

### **Rules for Investment Decision**

- Should increase the wealth of shareholders
- Refer all the cash flows to resolve the real profitability
- Identify the facts that increase suitable cash flows. Here earlier cash flows may preferred
- Identify mutual exclusive projects which can increase the wealth of shareholders

### **Review of Literature**

**G. Sunitha & Jhansi Rani Boda (2018)** the current word financial crisis most importance for find the factor which is influencing the investor decision is values for investor decision .the paper conclude behaviour of financial investor for the historical bases. This is effecting for investors decision .the

investor don't give place for sentiment it is predicting the investor at the movement is very supporting for investment behaviour then convert to the benefit in retail investors ,the making order to the rectified in the with in investment decision making <sup>1</sup>.

**Mahalakshmi T. N. & Anuradha N. (2018)** this article focusing on investment decision making then develop to the organization performance mostly use the alternative of the option is investment its leading to the financial behaviour in individual decision. The behaviour to stimulating the investment .the behavioural factors for creating confidence and familiarity to the anchoring is influencing for decision making .then external factors for engagement level should spouse effect many of explored before .then finally concluded impact of the behavioural factors it is useful for the portfolio management and investment decision making .the activity following for the stock market.<sup>2</sup>

**Piotr Bialowolski & Dorota Weziak Bialowska (2014)**External Factors Affecting Investment Decisions of Companies .This articles taking for investable factors in the investment decision in the polish companies .investment decision is a crucial in the performance on the economy two side for short-term and long term perspectives then the short term perspective in continuous cycle in the business they financial for the majority of the valuable if they Gross Domestic Product. Long term perspective of the growth in single companies then higher the efficiency by decreasing the unit cost. The research focusing on investigating the steps of the investment decision .so automatically increasing company performance <sup>3</sup>

**Agnes Virlics (2013)**, the aim the articles investment decision making and risk the investment expenses make to the profit get to ways like machinery and plants building land financial based on the stock and bounds only two side or make enterprise growth The investment decision making Risk the theory was process of decision making based on the investment amount and investor status .the risk as small and big risk .Risk is unexpected to the emotional factors its number of evidence to the decision making .the investment analyses is given to risk then the risk actually influence the decision.<sup>4</sup>

### **Objectives of the study**

- ✓ To study the investment methods that are adopted by the at Marutham Groups, Chennai
- ✓ To assess the solvency and financial position of the company

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<sup>1</sup>Dr. G. Sunitha & Jhansi Rani Boda "Investor's Psychology in Investment Decision making: A Behavioral Finance Approach" *International Journal of Pure and Applied Mathematics* Vol. 119, 2018, pp.1253-1261.

<sup>2</sup>Mahalakshmi T.N. & Anuradha N. "Factors affecting Investment Decision making & Investment Performance among Individual Investors in India", *International Journal of Pure and Applied Mathematics* Vol. 118, 2018, pp. 1667-1675

<sup>3</sup>Piotr Bialowolski & Dorota Weziak Bialowska "External Factors Affecting Investment Decisions of Companies" *economics-e journal* Vol. 8, 2014.

<sup>4</sup>Available online at [www.sciencedirect.com](http://www.sciencedirect.com) Investment Decision Making and Risk 169 – 177

- ✓ To analyse the techniques of investment decision adopted by the company
- ✓ To measure the fund utilization of the company and analysis the investment of the years

**Research Methodology**

The present research work is based on secondary data those are already available. The researcher has used the analytical method such as Present value Future value Net present value Debt Equity Ratio to interpret the data. Hence the expected study has been adopted. The major phases of research include objective and data collection analysis and its interpretation.

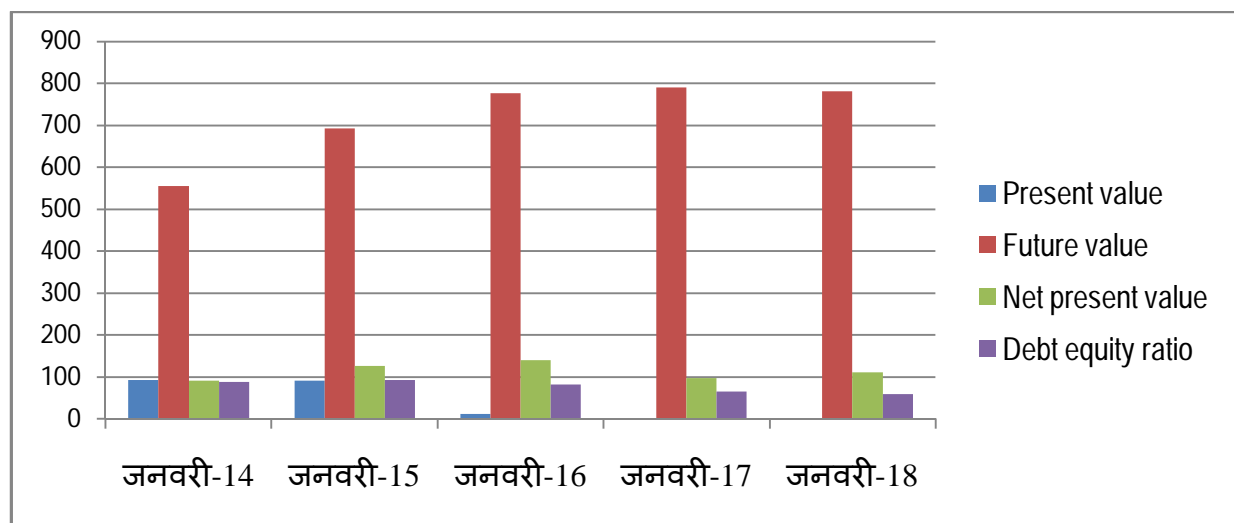
**Financial Analysis tools used for**

- Present value
- Future value
- Net present value
- Debt Equity Ratio

**Data analysis and interpretation**

Year	Present Value	Future Value	Net Present Value	Debt Equity Ratio
Jan-14	93.85	555.673	90.95	88.77445697
Jan-15	92.37	692.775	127.32	92.42560768
Jan-16	12.14	777.088	140.42	82.96547741
Jan-17	01.19	789.874	96.96	65.99614167
Jan-18	00.23	781.009	111.97	59.93175775

**Ratio Analysis**



**Interpretation**

By result and interpretation it is pointed out that, In the year Jan 2014 present value was increased 93.85 due to the more investment of the company, Jan 2018 present value was decrease 0.23 it shows, the company performances was going down. In the year Jan 2016 the future value of the company is increase 789.874 it shows, the company performances was in good position, Jan 2014 future value was decrease 555.673 it shows, the company performances was going down. Net present value of Jan 2016 is increased as 140.42 it shows, the company performances was in good position, Jan 2014 net present value was decrease is 90.95 it shows, the company performances was going down. In the year Jan 2015 the debt equity ratio is increase 92.426 it shows, the company performance was in good position, Jan 2018 debt equity ratio was decrease 59.931 it shows, the company performance was in going down.

**Discussions and Suggestion**

this study attempts to analyses the return tradeoff alludes to a financial specialist's adjusting the most reduced conceivable hazard and the most elevated conceivable return in any venture choice Higher chance equivalents more prominent potential return, however it doesn't ensure those arrival levels. Diversification is a device to bring down the danger of a portfolio by dividing speculations out crosswise over various territories. Dollar cost averaging is a method enabling financial specialists to locate a normal estimating for a stock or other security. It is accomplished by buying a given dollar measure of a specific security intermittently, paying little respect to the value purpose of that security at each buy. Asset distribution is a method for partitioning resources crosswise over significant classifications, accomplishing broadening and lessening hazard. The arbitrary walk hypothesis recommends that stocks and markets move arbitrarily, and that past. The idea of the ideal portfolio holds that sound speculators will settle on choices which boost returns at guaranteed and agreeable dimension of hazard. Capital resource estimating model recommends that hazardous ventures ought to be related with specific dimensions of profit based for elements including hazard free rate, beta, and that's only the tip of the iceberg. It gives methods for ascertaining the required or anticipated return. If the company is adopting on above discussion and implications recommended by endeavour of research certainly the company can be maintained their financial position and revenue.

**Conclusion**

It is evidently shown, investment decision is very important in any kind of business. Every top authority has to give more importance in investment decision. In this connection, it has to come conclude that this study was discussed and used in various levels to find out the investment decision of the company.

Investment decision is increasing the profit of the company. The presentation on the company was analysed by various financial analysis and it was proved that this company is having an excellent financial system to maintain all the information and perform the best in everything. This study was executed in an efficient manner towards financial analysis which helps to increase the profit. Investment decision has played a vital role among fund utilization toward business expenditure. Marutham company financial experts have properly influenced their analytical skill for all financial matters. Therefore, this study revealed that investment decision is part financial decision which helps to shape the investment activities towards growth and development. This study has found that Marutham Group is in good stage on are influential study to future endeavours.

## References

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