

# A STUDY ON INVESTMENT DECISION ANALYSIS WITH Special Reference to Indian Bank

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ABSTRACT - This study is undertaken to analyse the various investment decision taken by the Indian bank. Investment is treated as the blood of the any kind of company or the industry. It is treated as the very important decision to improve the level of the financial position of the bank. This investment decision is analysis is based on the Price Earning Ratio, Net Asset Value and the Earning per share.

Key words: Investment, Blood, Financial Position, Price Earning Ratio, Net Asset Value

# I. INTRODUCTION

Investment analysis is defined as the process of evaluating an investment for profitability and risk. It ultimately has the purpose of measuring how the given investment is a good fit for a portfolio. Investment analysis means the process of judging an investment for Income, Risk, And Resale Value.

Investment analysis methods generally evaluate 3 factors:

- Risk
- Cash Flows
- Resale Value

# **II. REVIEW OF LITERATURE**

Jothi Baskara Mohan, Ramji P.R. (2013) conducted a study on "Women Investors Recital At Rajapalayam City – A Study". The results of the study shows that 92 per cent of the respondents are aware of investment and remaining 8 per cent are unaware of investment avenues.

Jagongo A And Mutswenji V (2014) conducted their study on individual investor by adopting a questionnaire directed to them, where they draw a conclusion that the main factors that impact individual's investment decision is the firm's position within the industry and its reputation in the market in addition to the expected return.

Vestine Et Al (2016) concluded that financial statement is the most important tool for investment decision making as they pointed out that 82% of the investment decision are based on the analysis of financial statement and the remaining 18% are related to some other factors of the investment decision.

## **III. RESEARCH METHODOLOGY**

## **RESEARCH DESIGN:**

## **Statement of Problem:**

- In the study the investment decision help to analyse the level of investment in the bank.
- Being the public limited company the investment decision helps to increase the growth of the bank.

#### **Objective of the Study:**

- To study the level of investment and the various step followed by the financial institution to increase their investment.
- To determine the Earning per Share Value of the bank based upon the investment decision.
- ✤ To analyse the Net Asset Value of the investment
- To evaluate the various modes of investment contributing to increase the return on investment.

#### Scope of the Study:

- > The financial statements ate the medium by which a bank discloses information concerning the financial performance.
- > The analysis to make investments is based on the income statements, balance sheet and profit and loss accounts.
- > This study of financial performance is made by company of the five year statement of it operation.
- The performance of a data is pertaining to the liquidity position of a profitable firm.

## Limitation of the Study:

As only limited secondary data was made available it was not possible to compute all the ratio.

#### **Data Collection:**

The data was collected from the official website of Indian bank.

## TABLE :4.1 NET ASSET VALUE

Year	Price Per Share (In Rs)	Earning Per Share (In Rs)
2013-2014	10.0	24.93
2014-2015	10.0	20.93
2015-2016	10.0	14.81
2016-2017	10.0	29.27
2017-2018	10.0	26.21

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## FIGURE: 4.1 NETASSET VALUE



#### **INTERPRETATION:**

From the above calculation it is inferred that the net asset value of the bank during the year 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018.

In 2016-2017 and the 2017-2018 the net asset value is the highest level with Rs.169 crores.

In 2014-2015 and the 2015-2016 the net asset value is decreased to Rs.153 crores.

In 2013-2014 the net asset value is decreased to Rs.143 crores.

#### **TABLE 4.2 PRICE EARNING RATIO**

Price Earning Ratio = Price Per Share / Earning Per Share \* 100

Working Notes:

Price Per Share (In Rs)	Earning Per Share (In Rs)	Price Earning Ratio
	24.93	0.4
10.0	21.95	0.1
10.0	20.03	0.5
10.0	20.93	0.5
10.0	14.81	0.7
	14.01	0.7
10.0	20.27	0.2
	29.21	0.5
10.0	26.21	0.4
	20.21	0.4
	Price Per Share (In Rs)   10.0   10.0   10.0   10.0   10.0   10.0	Price Per Share (In Rs) Earning Per Share (In Rs)   10.0 24.93   10.0 20.93   10.0 14.81   10.0 29.27   10.0 26.21

## SOLUTION:

YEAR	NET EQUITY (in crores)	NUMBER OF EQUITY SHARE (in crores)	NET ASSET VALUE (in crores)
2013- 2014	6658.32	4648.48	143
2014- 2015	7343.46	4802.92	153

2015- 2016	7337.68	4802.92	153
2016- 2017	7966.62	4802.92	169
2017- 2018	8138.08	4802.92	169

## FIGURE: 4.2 PRICE EARNING RATIO



## **INTERPRETATION:-**

From the above calculation it is inferred that price per share from Earning Per Share for a period of 5 financial year from 2013 to 2018 is as follows:

2013-2014 the Price Earning Ratio has decreased to 0.4.

2014-2015 the Price Earning Ratio has decreased to 0.5.

2015-2016 the Price Earning Ratio has was 0.7

2016-2017 the Price Earning Ratio has decreased to 0.3.and

2017-2018 the Price Earning Ratio has increased to 0.4.

# **V. SUGGESTION & CONCLUSION**

#### SUGGESTION

The Earning Per Share value of the bank is to increase in the average level. So, the bank have to increase the level of their earning value of their shares.

The asset value of the bank is to be in the low level. So, the financial institution have to increase the level of the Net Asset Value to improve the position of the financial performance.

#### Conclusion

From the above study the level of Earning, Asset Value and the Earning Per Share value of the bank has been calculated. These calculations can help investors and customers in the following way:

i) By creating the awareness programme for the customers in opening the new account.



- ii) It helps to increase the level of transaction of this financial institution.
- iii) It helps the management to take the decision in on issue of additional share.
- iv) It helps to increase the earning level of the bank and enlarge its share in the financial sector.

## REFERRENCE

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