

Interested in investing in the equity segment?

Read more to learn more about the various equity investment instruments for you.

Do you wanna add debt components to you portfolio?

Read more to discover the various options that you have.

Banking Products to enhance your investments.

Learn more about what banking products are there for you to invest your cash in.



THE FINANCIAL MINUTE

A Student Initiative of DSEU Dwarka



Want to invest? Learn your avenues.

Government Schemes a comprehensive solution to your problems **READ MORE**

EQUITY INVESTMENTS



DIRECT EQUITY

Direct equity refers to separately buying equity shares of individual companies. For eg. Buying 3 shares of Reliance Industries Ltd (RIL) or owning 5 shares of TATA Consultancy Services (TCS) etc.



EQUITY MUTUAL FUND

Equity mutual fund refers to mutual fund schemes that put the majority of their resources into the equity of different companies. The companies whose equity is to be bought are chosen on the basis of the underlying objective of the mutual fund scheme.



Exchange Traded Funds (ETFs)

ETFs are expected to follow or track a particular index, sector, commodity or any other asset class also they share their characteristics with that of a mutual fund but unlike a mutual fund, they are traded on an exchange and can be bought just like we buy shares from an exchange.



PENSION FUND

Pension funds are also commonly referred to as “retirement funds”. They are a kind of saving schemes in which an employee invests a small portion of his regular earnings with the objective of a financially secure retirement life. Some pension funds invest majorly into debt or government securities and are best suited for risk averse investors. Whereas some funds park their assets under management in equity investments and are best suited for investors who are ready to take risk in the search of good returns.

DEBT INVESTMENTS



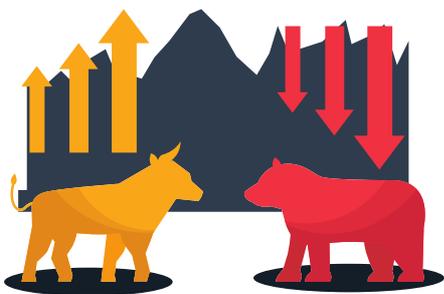
BONDS

Bonds are a type of fixed-income security which involves investors lending funds to a borrower on a fixed interest rate called the “coupon rate” and for a fixed tenure of time which is called the “maturity of a bond”.



Government Securities (G-Sec)

Any type of investment product offered by a government body is called government security. Government security is one of the safest types of investment opportunity. For example,



Money Market Mutual Funds

It is an unsecured type of debt instrument issued by corporates to full fill their daily working capital requirements. The maturity of a commercial paper lies between 1 to 270 days.



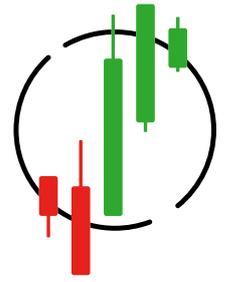
Debentures

Debentures are financial products issued by private corporations to raise finances. These instruments are not backed by any kind of physical assets or collateral.

DERIVATIVES, COMMODITIES & OTHERS

DERIVATIVES

Derivatives are financial agreements whose value depends majorly on the underlying asset(s). The underlying asset could be anything, stock market indices, commodities etc. Derivatives generally have a high risk-to-reward ratio.



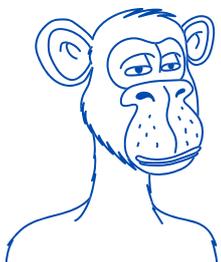
PRECIOUS METALS



Investors also find investment in precious metals like gold & silver lucrative. This acts as a hedge against inflation, and has a high degree of desired liquidity, also these do not possess any major type of credit risk and buying these is very easy making it suitable for investors who are less financially aware.

FOREIGN EXCHANGE

The foreign exchange market is one of the most liquid asset market in the world. Predominantly there are two types of markets under the foreign exchange pyramid, spot markets and derivatives markets. The derivative market generally deals with futures, forwards, options and swaps of foreign currency. Investors use this market to reduce the risk against the price fluctuation in the foreign currency, to speculate on geopolitical events etc. whereas in spot markets the foreign currencies are traded with instant delivery.



NFTs

They represent real-world items but in a digitalized form encrypted on the blockchain. They are non-transferable in nature and cannot be replicated. In the true sense anything can become an NFT, may it be a work of art, a poster, a meme or even a mere tweet.

CRYPTOCURRENCIES

They are a type of digital currency which are based on blockchain. They are decentralised in nature and follow the concept of a public ledger in which all the transactions are recorded and they are stored in a “digital wallet”.

BANKING PRODUCTS



FIXED DEPOSITS (FD)

Fixed Deposits are a type of termed deposit in which the depositor has to deposit a lump sum amount for a fixed period of time. The return on FD is generally higher if compared with a savings account or recurring deposit account.



RECURRING DEPOSITS (RD)

Recurring deposit is also a type of term deposit. In an RD scheme, the depositor is not expected to invest in a lump sum amount but is allowed regular monthly/quarterly/semi-annually deposits. This helps the depositor to grow their corpus by regular saving.



NATIONAL SAVINGS CERTIFICATE (NSC)

NSC stands for The National Saving Certificate. It is considered to be a fixed income investment instrument and can be opened with any post office branch. It also provided tax benefits to the investor.



Unit Linked Insurance Policies

ULIP is an acronym used for Unit Linked Insurance Plan. It is a dual benefit insurance plan which provides the benefits of an investment scheme to achieve your future financial goals as well as that of an insurance scheme by providing a life cover if any mishappening happens.



Things that you should definitely DO

1. **Financially Literate:** There chances are you would fail in generating good returns from investing, if you are not aware of the assets in which you are allocating your funds. Thus, before investing in an asset say equity shares of a company, first understands the business model, its core values , potential of the industry it is based upon etc.
2. **Long Term Planning:** The majority of gains come when one invests for long term. You might experience negative return in the initials months or years but holding the right investment for considerable duration would yield desired returns.
3. **Invest Surplus Funds:** Despite having all the knowledge and guidance there may be chances of picking the wrong investment and loosing money. Thus, it is always suggested to invest only the surplus funds. If you lose money in market, then it will not hamper your financial position.



Things that you should definitely DON'T DO

1. **Follow the Herd Mentality:** Never invest in an asset class just because everyone is investing, or everyone is talking about it. You should do your own research to check whether that asset classes is suitable for your or not.
2. **All that Glitter is Not Gold:** This is not only applicable in the investment arena but in life too. Before taking any investment decisions always think it through. Give a reasonable amount of time in examining its pros and cons.
3. **Trust the Free Tips:** Many so called influencers on various social media platforms provide their followers with free tips. And to top it all up they also provide unrealistic reasoning for their tipped investment. Never fall for it. Always carry your own research or hire a certified financial advisor.



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