

# Analysis of Mutual Funds and Share Market from 2014

Preity Verma<sup>1</sup>, Gauri Raghav<sup>2</sup>

<sup>1</sup>Assistant Professor, Department of Management Studies, Subharti University, Meerut, India

<sup>2</sup>Student, Department of Management Studies, Subharti University, Meerut, India

**Abstract:** The automobile trade, one in all the core sectors, has undergone metamorphosis with the appearance of latest business and producing practices within the light-weight of easing and globalization. The arena appears to be optimistic of posting sturdy sales within the number of years within the read of an affordable surge in demand. The Indian automobile market is train towards global standard to satisfy the want of the worldwide automobile giants and become a worldwide hub. A detailed study of industry has been covered in respect of past growth and performance. beneath this project to higher perceive the trade I actually have used basic tools to create it additional authentic and significant. An economy-industry-company (E.I.C) approach has been follow below basic Analysis that cover impact of Recession, the impact of inflation, FDI's, Export, and gross domestic product etc. on industry. The trade Analysis has been through with the assistance of SWOT analysis and trade life cycle. For Company Analysis as a neighborhood of basic tool we've got undergone with the comparative analysis of TATA Motors the leading company, Maruti Suzuki India's largest auto maker and Mahindra and Mahindra at the side of the assistance of magnitude relation analysis. The elemental side consists of monetary and Non-Financial analysis of those firms. At the tip conclusion and proposals are specific therefore on create the project work additional significant and purposeful.

**Keywords:** Introduction, shares ratio and price earnings ratio.

## 1. Introduction

The automobile trade, individual in every core sectors, has undergone metamorphosis with the appearance of newest business and producing practices within the light-weight of easing and globalization. The dome appears to be confident of posting sturdy sales contained by the number of years contained by the read of an affordable surge in demand. The Indian automobile market is instructed towards international standards to convince the wants of the universal automobile giants and become an international hub. A comprehensive analysis of business has been coated in respect of precedent growth and performance. Beneath this project to higher perceive the trade I essentially have used basic tools to create it additional authentic and significant. An {economy-industry-company (E.I.C) loom has been followed beneath basic Analysis that covers impact of Recession, the impact of inflation, FDI's, Export, and gross domestic product etc. on industry. The trade Analysis has been through with the assistance of SWOT analysis and trade life

cycle. For Company Analysis as a neighborhood of basic tool we've got undergone with the comparative analysis of TATA Motors the leading company, Maruti Suzuki India's largest auto maker and Mahindra and Mahindra at the side of the assistance of magnitude relation analysis. the elemental side consists of monetary and Non-Financial analysis of those firms. At the tip conclusion and proposals are specific therefore on create the project work additional significant and purposeful.

## 2. Objective

The main objectives of the Project study are:

1. Comprehensive investigation of Automobile business which is gearing towards worldwide standard.
2. Investigate the collision of qualitative factor on industry's and company's prediction.
3. Proportional investigation of three tough competitors TATA Motors, Maruti Suzuki and Mahindra and Mahindra from basic investigation.
4. Telling as to which business shares would be best for a shareholder to spend.

## 3. Research methodology

### A. Research approach

To achieve this objective, I have conducted a survey and then collected data and analyzed it and lastly find out the needed results

### B. Sampling method

I have used simple random sampling method.

### C. Sources of data collection

Data sources of are two types

1. Primary data sources
2. Secondary data sources
  1. *Primary data sources:* Primary data sources are very helpful for research. This provides information related to the mutual funds and stock market.
  2. *Secondary data sources:* Secondary data can be collected through e-learning. It provides information regarding mutual funds and stock market.

**D. Sample size**

I used 3 automobile companies for my same size, Tata Motors, Mahindra and Maruti Suzuki.

**E. Statistical tool used for data analysis**

- Percentile method
- Graphical method

**F. Area of study**

The area of study are mutual funds and share market

**G. Year of study**

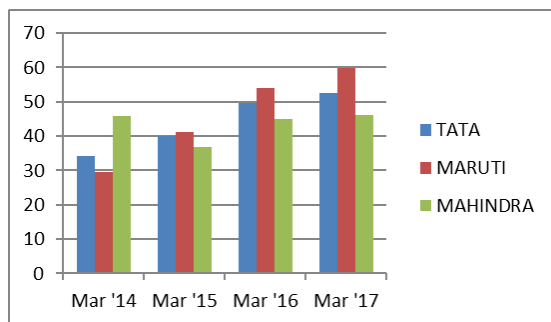
The Study Comprised For a period of five year from 2014 to 2018

**4. Data analysis**

**A. Earnings per share**

Table 1  
Earnings per share

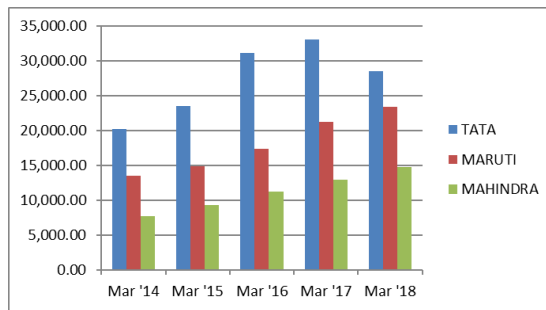
	EARNINGS PER SHARE				
YEARS	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
TATA	34.19	39.94	49.65	52.63	19.48
MARUTI	29.55	41.16	54.07	59.91	42.18
MAHINDRA	45.92	36.72	44.88	46.15	30.69



**Interpretations**

EPS measures the profit on the market to the equity shareholders per share, that is, the quantity that they'll get on each share command. until 2017 Tata and Maruti had a rising EPS however in 2018 each of them fall and also the impact is additional on Tata motors thanks to the slump in domestic and international markets and sharp fall in sales and internet profits that resulted in low EPS. Mahindra isn't a lot of affected as its sales have magnified from the previous year. however, as trend shows Mahindra motors has potential therefore a shareowner will expect higher in future.

**B. Sales**



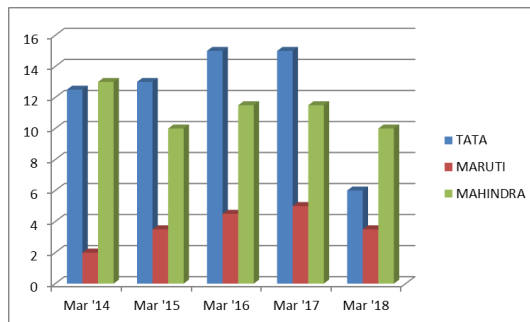
**Interpretations**

Maruti and Mahindra show a positive trend in sales over the past 5 years. although holdup within the economy brought hurdles however these firms have potential to grow in future as various merchandise area unit still to feature in their portfolio. What is more increased demand in foreign market conjointly looks to be a positive signal for higher future. Tata has witnessed a decline in sales of every phase. Maruti and Mahindra area unit going fleetly.

**C. Dividend per share**

Table 3  
Dividend Per Share

	Dividend Per Share				
YEARS	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
TATA	12.5	13	15	15	6
MARUTI	2	3.5	4.5	5	3.5
MAHINDRA	13	10	11.5	11.5	10



**Interpretations**

Tata motors and Maruti Suzuki each the businesses showed a positive trend in paying dividends until 2017, however the state of affairs modified in 2018 as each the company's dividend per share fell. in step with graph Tata's dividend has fallen drastically whereas Maruti continue below five per share. Mahindra has created a small reduction from rs.11.5 per share in 2017 to rs.10 per share this year. so Mahindra would be the

Table 2  
Sales

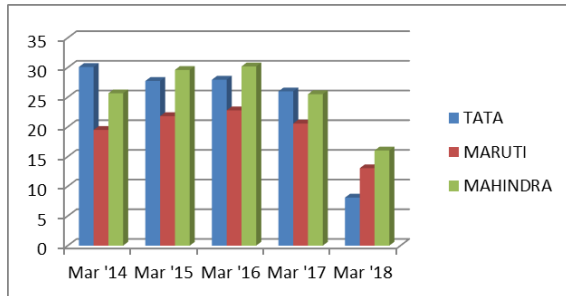
	Sales				
Years	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
Tata	20,262.61	23,490.55	31,089.69	33,123.54	28,538.20
Maruti	13,458.20	14,898.80	17,358.40	21,200.40	23,381.50
Mahindra	7,649.51	9,273.09	11,231.99	12,894.94	14,713.03

most effective possibility for Associate in Nursing capitalist.

**D. Return on investment (ROI)**

Table 4  
Return on Investment

	Return on Investment				
YEARS	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
TATA	30.09	27.74	27.96	25.98	8.09
MARUTI	19.49	21.81	22.79	20.56	13.04
MAHINDRA	25.66	29.6	30.18	25.51	16.03



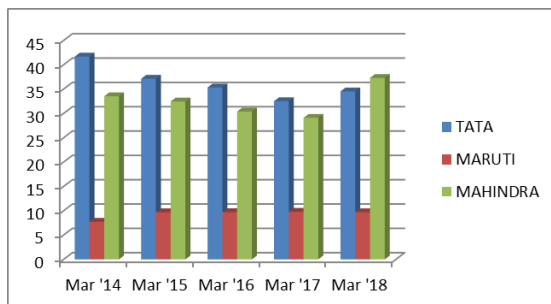
**Interpretations**

ROI is one among the foremost vital ratios used for mensuration the general potency of a firm and determines whether or not the investments within the companies are engaging or not. According to the graph, ROI of TATA has declined to an oversized extent in 2018, creating it a quite risky investment. Maruti's ROI has additionally declined however Mahindra's ROI is showing a better rate compared to TATA and Maruti in 2018. because the investors would really like to speculate solely wherever the come is higher, Mahindra would be engaging for investment.

**E. Dividend payout ratio**

Table 5  
Dividend Payout Ratio

	Dividend Payout Ratio				
YEARS	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
TATA	41.68	37.13	35.34	32.51	34.52
MARUTI	7.73	9.69	9.72	9.78	9.7
MAHINDRA	33.54	32.45	30.39	29.1	37.29



**Interpretations**

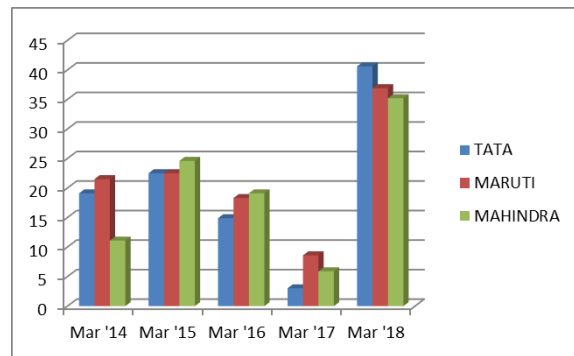
Dividend payout quantitative relation is that the share of earnings paid to shareholders in dividends. It provides an

inspiration to associate degree capitalist of however well earnings support the dividend payments. Maruti has maintained a stable payout quantitative relation. each TATA and Mahindra have exaggerated their payout quantitative relation during which Mahindra shows the next payout quantitative relation.

**F. Price-earnings ratio (P/E ratio)**

Table 6  
Price-Earnings Ratio

	Price-Earnings Ratio				
YEARS	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
TATA	19.09	22.5	14.9	3.02	40.6
MARUTI	21.5	22.5	18.3	8.6	36.9
MAHINDRA	11.1	24.6	19.1	5.9	35.2



**Interpretations**

This magnitude relation is wide employed by investors to choose whether or not to obtain shares in an exceedingly explicit company. As per the graph, in 2017, the P/E ratio of the 3 corporations was very cheap compared to the previous years. TATA has the best P/E ratio in 2018 that indicates that it's overvalued, that the investors will profit by commerce the shares. associate capitalist will choose Mahindra as its P/E ratio is that the lowest in 2018 that indicates that it's undervalued and there's a scope for growth within the future.

**5. Literature review**

According to Fitzgerald and Moon (1996), non-financial indicator such as quality, customer service, innovation, and elasticity – should also be used to study the external and internal corporate strategy. Fitzgerald and Moon developed a framework using the management and accounting literature – that has three building blocks: dimensions, standards and rewards. This structure tackles three issues: the dimensions of performance that need to be measured,

1. The standards for these measures and,
2. The rewards that are linked to the achievement of these standards. According to this framework, performance indicators are categorized into six generic dimensions;
  1. Competitiveness
  2. Financial performance
  3. Quality of service,
  4. Resource utilization,

5. Flexibility and
6. Innovation. These six generic dimensions distinguish between two categories; Measures that reflect the results of actions (the chosen new strategy) (financial performance and competitiveness) and measures that reflect the factors (determinants) of future performance. Focusing performance measurements on the traditional financial and cost management dimensions has devastating effects on the performance of the enterprise on the long-run. As

Martin noted, traditional financial measures act as barriers to the achievement of increased stockholder value, higher quality, lower cost and speed to market because they give false signals as to the actual position of the corporation's performance (Martin, 1997). Ames (2002) in this study it was said that management is an asset for the organization and to have well managed assets it is necessary to have skills to deal with it. Moreover, assets are variable in nature. This study also explained that financial status is very important for the firms and they are heterogeneous in nature. Financial firms deals with different products from the given assets.

### 6. Conclusion

The Automobile trade in Asian country is that the seventh largest within the world with associate annual production of over two.6 million units in 2018. In 2018, Asian country emerged as Asia's fourth largest businessperson of vehicles, behind Japan, Asian nation and Thailand. The collapse in market place witnessed unexampled turbulence within the wake of world money meltdown. A runaway inflation touching a part of twelve-tone music early within the year, the tight financial policies followed by the authorities for many of the year to manage inflation with the ensuing high interest rates and weak client demand, have conjointly had a devastating impact on the automotive sector. Maruti Suzuki Asian country LTD. company

incorporates a trend of growth from until 2008. During the year 2017-18 there's downfall within the growth of the corporate. The most reason behind this downfall is due to the world recession. The downfall of profit throughout the year 2017-18 is twenty-nine. 6% over the year 2016-2017. TATA Motors, that was making an attempt to consolidate its leadership position within the market, additionally had to face the impact of world meltdown. Amid the disabling financial condition, Tata purchased Britain's cat Land Rover (JLR) from Ford Motor Company. Exploit JLR saddled Tata with some powerful losses. Dividends and earnings stay low. In spite of it being a troublesome year for all the businesses across the world and in Asian country, Mahindra has given a satisfactory performance. at this time its shares square measure undervalued giving it a possible for growth. Global recession had a device impact on the expansion of industry however it absolutely was a brief term development. The trade is bouncing back. One issue affirmative now is that Asian country has become a hot destination for firms of numerous natures to take a position in. Cut throat competition among high firms, millions of new automotive and vehicle model launches at regular intervals keeps the Indian car sector moving. A continuous effort at cut and rising productivity can facilitate the businesses in creating cheap profits despite the impact of upper artifact costs and weaker rupee. The associate analysis offers an optimistic read regarding the trade and its growth that recommends the investors to stay an honest watch on the main players to profit in terms of returns on their investments.

### References

- [1] Punithavathy Pandean, "Security Analysis and Portfolio Management," Vikas Publications.
- [2] V. A. Avadhani, "Security analysis and portfolio management."
- [3] Gordon and Natarajan, "Financial Markets and Services," Himalaya Publications.
- [4] Shashi K. Gupta and R. K. Sharma, Financial Management," Kalyani Publications.