

A Study on Investment Decision – Country Delight LTD

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Abstract

This study examines the investment decision-making process at Country Delight Ltd. and evaluates various investment alternatives based on risk, return, liquidity, and profitability. The objective is to analyze the effectiveness of investment options such as equities, bonds, gold, and mutual funds while assessing the company's financial position and market performance. The research is based on both primary and secondary data collected from company records, financial reports, journals, and market sources. Various analytical tools, including Net Present Value (NPV), Average Rate of Return (ARR), Profitability Index (PI), and Ratio Analysis, were used to evaluate investment performance. The findings indicate that equity investments and mutual funds generated higher returns, while bonds provided relatively stable but lower returns. The study concludes that a diversified investment strategy helps balance risk and maximize returns, enabling informed investment decisions and sustainable financial growth.

Key words: Investment Decision, Risk and Return, Analysis, Financial performance, Portfolio Management, Mutual Funds, Country Delight Ltd.

INTRODUCTION

When making an investment decision the investor has got many alternative investment options available.

The task of the investor is to choose one investment that will best accomplish the objectives of the investment project. In order for an investment to be possible, it is common practice to create a document that plans and especially outlines the form of the investment project. In order to choose an investment that best meets the goals of the project, it is necessary to evaluate the project. There are evaluation methods available for the investor to assess the effectiveness of an investment project. The results given by these methods are usually conflicting, thus causing difficulties for the investor's decision-making abilities.

This study presents a model for working on the nature of the investment determination measure. The point of this study was to decide the need for the use of these strategies, for example, multi-rules investigation strategy for the assessment of the adequacy of the investment because of the way that the after-effects of the assessment, the strategies will in general differ, it should be considered that there are a lot of criteria, which requires the recognition.

LITERATURE REVIEW

1. AUTHOR: Michi Nishihara

TITLE: Investment Decision Making and Risk **PUBLICATION YEAR:** 22 May 2018 **ABSTRACT:**

The aim of the paper is to present how investment decisions are made and what investment risk is, what role it has in the

investment decision. The decision itself is a subjective act, but it is based on both subjective and objective factors. Risk is an important component of every investment, thus it is necessary to analysis it as both, the objective component of the investment, and as the subjective factor of the investment decision making.

2. AUTHOR : Carlo Massironi (Studio MassironiConsulenzaFinanziaria, Garda, Italy) Marco Guicciardi (Department of Psychology, Cagliari University, Cagliari, Italy)

TITLE: Investment Decision making from a constructivist perspective PUBLICATION YEAR: 2019

ABSTRACT:

Purpose– This paper aims to introduce the reader to investigate some aspects of investment decision making from a constructivist perspective. Design/ methodology/ approach– The constructivist perspective is introduced in its dual nature of epistemology and of modelization. From constructivist epistemology, the paper mentions the corollaries of theoretical pluralism and cognitive pragmatism. From Kruglanski and Ajzen's Lay epistemology theory, the paper presents in more detail a constructivist modelization for the study and improvement of formal processes of investment decision making.

Findings– Beginning from the proposed framework, the paper indicates the lines for the development of a critical (or reflective) investment decision-making attitude. This is an investment decision making which is able to reflect on its own constructs and cognitive processes in order to develop investment processes with a higher “constructivist awareness” and efficacy.

3. ARTICLE: 3

AUTHOR : W.K.H. Fung, ,R.C. Stapleton

TITLE: Risk Analysis for Capital Investment Decisions PUBLICATION YEAR:

2020

ABSTRACT:

There are two ways in which the risk of a capital project can be described. This article outlines these two approaches: Sensitivity Analysis and Probability Analysis, and emphasizes the connection between the two methods. The output of a computer model of the sensitivity of the project to underlying factors is used as input for a probability analysis. The methods are illustrated with a case study, the MM Co Ltd.

ARTICLE: 4

AUTHOR: Michi Nishihara

TITLE: Optimal investment decision under regulatory and environmental risks

PUBLICATION YEAR: 22 May 2021

ABSTRACT:

This paper investigates the decision-making of a firm that has an option to invest from among multiple alternative projects. This type of option is called a max-option, and the nature of a max-option has been investigated in several papers. I extend the previous analysis to a model that allows the random occurrence and disappearance of alternative projects in which to invest. The occurrence and disappearance of investment opportunities will be caused by changes in regulation, exits and entries of rival firms, technological innovation, political risk, catastrophes, etc. By proving the properties of the options, this paper suggests how a firm should deal with regulatory and environmental risks. Specifically, I demonstrate that the prospective future occurrence of an alternative (e.g. as a result of deregulation) has the significant effect of increasing the option value and deferring the investment decision. The results help better understand investment decisions with regulatory and environmental uncertainty.

ARTICLE: 5**AUTHOR:** Aristis, Philip Resende**TITLE:** Finance investments and Fund savings**PUBLICATION YEAR:** Nov2022, Vol. 31 Issue 6, p832-845. 14p. 5 Diagrams, 2

Charts.

ABSTRACT:

Purpose: This contribution discusses the **Finance-Investment** and Saving-Funding (FISF) circuit regarding the closed and open economies with government. Moreover, we discuss the fiscal policy effects on aggregate demand and income in the FISF circuit context. Keynes explained the FISF circuit assuming a short-term capital advance closed economy without government.

Findings: The novelty of the current contribution is to analyze the above-mentioned circuit in the closed and open economy context including government. We show that the basic features of the FISF circuit remain unchanged for the closed and open economies when government is considered in the circuit.

Originality: To achieve these goals, this contribution is organized as follows: in the next section, the FISF circuit is highlighted for the closed and open economies without government. In the third section, the FISF circuit mechanisms are explored in the context of closed and open economies with government. Moreover, the government's role and the fiscal policy impact on aggregate income are emphasized.

ARTICLE: 6**AUTHOR:** Renle Huang**TITLE:** The Design and Implement of Management System for Power Fixed Asset Based on Activity**PUBLICATION YEAR:** 2021**ABSTRACT:**

The paper firstly introduces work for technology and activity work flow frame work, through the description of the fixed Mutual funds in the power industry, the system is wholly designed. Component based principle, object-oriented development mode on the Three-tier architecture in java EE (Java Enterprise Edition) were used in the system. For the complexity in the fixed Mutual funds of electric power industry, the system strives to a comprehensive and detailed, simple and convenient operation.

ARTICLE: 7**AUTHOR:** Alexandra v. Lubyana**TITLE:** Evaluation of the Effect of Non-Current Mutual fund son Profitability Mutual funds Efficiency**PUBLICATION YEAR:** 2022**ABSTRACT:**

The purpose of the article is to investigate the problem, which stems from non-current Mutual funds affecting profitability and Mutual funds efficiency. Tangible assets, intangible asset and financial assets are all included in non-current Mutual funds. The aim of the research is to identify the impact of estimate and valuation in accounting.

ARTICLE: 8

AUTHOR: Inderjit Kaur**TITLE:** Determinants of Investment Behavior of Investors Towards Mutual Funds**JOURNAL:** Journal of Indian Business Research**PUBLICATION YEAR:** 2022**ABSTRACT:**

Mutual funds in India have not been as favorable investment alternatives as in developed countries, as assets under management of mutual funds to gross domestic product in India have been 7-8 per cent compared to 37 per cent globally. Further, investor base of mutual funds has been narrow, as retail investors constitute 98 per cent of folios but contributed only 58 per cent of investments in September 2014. To broaden the investor base for mutual funds in India, it remains imperative to understand the determinants of investment behavior of investors towards mutual funds. This study aims to achieve this objective.

ARTICLE: 9

AUTHOR: Dr. S. Nagaraju**TITLE:** A Study on Mutual funds**JOURNAL:** journal for advanced research in applied sciences**PUBLICATION YEAR:** 2023**ABSTRACT:**

The Mutual funds is the Traditional Financial Statement of a business enterprise. While they do furnish useful financial data regarding its operations, a serious limitation of these statements is that they do not provide information regarding changes in the firm's financial position during a particular period of time. Mutual funds are acquired for use in the business for earning revenues so they are shown at their book values and at their current realizable values. But when the business unit is not a going concern and is to be liquidated, current realizable value of Mutual funds become relevant. A fundamental concept of accounting, closely related to the going concern concept, is cost concept of accounting. According to this concept, Mutual funds is recorded in the books at the price paid to acquire it and that this cost is the basis for all subsequent accounting for the asset. This concept does not mean that the Mutual funds will always be shown at cost but it means that cost becomes basis for all future Mutual funds are acquired for use in the business for earning revenues so they are shown at their book values and at their current realizable value.

ARTICLE: 10

AUTHOR: Vikas Agarwal, Gerald D. Gay Leng Ling **TITLE:**Window Dressing in Mutual Funds **JOURNAL:** TheReview of Financial Studies **PUBLICATION YEAR:** 2023**ABSTRACT:**

We provide a rationale for window dressing wherein investors respond to conflicting signals of managerial ability inferred from a fund's performance and disclosed portfolio holdings. We contend that window dressers make a risky bet on their performance during a reporting delay period, which affects investors' interpretation of the conflicting signals and hence their capital allocations. Conditional on good (bad) performance, window dressers benefit (suffer) from higher (lower) investor flows compared with non-window dressers. Window dressers also show poor past

performance, possess little skill, and incur high portfolio turnover and trade costs, characteristics which in turn result in worse future performance.

NEED FOR THE STUDY:

- Investment decisions in Country Delight Ltd. are essential for **operational expansion**.
- The company requires funds to scale its production facilities and extend its distribution network, ensuring a broader market reach.
- Such investments enable the company to cater to a growing customer base while maintaining its focus on delivering fresh, high-quality dairy products.
- Efficient **supply chain management** is critical for a brand like Country Delight that emphasizes freshness and quality.
- Investments in cold storage infrastructure, improved transportation, and real-time monitoring systems are necessary to maintain product integrity and optimize delivery timelines.

SCOPE OF THE STUDY:

- The operational scope of investment decisions includes scaling production facilities and enhancing distribution networks.
- This allows the company to cater to a larger customer base while maintaining the freshness and quality of its dairy and other food products.
- This project studies the investment decision for a period of 45 days.

OBJECTIVE OF THE STUDY:

- To examine the practical usage of investment decisions of Country Delight Ltd.
- To analyze the future value of rupee which is invested at present value
- To know the risks and returns in several investment decision options.
- To measure returns and analyze the performing of every investment options.
- To analyze the market readiness, financial benchmarks, and potential timeline.

Research Methodology

INVESTMENT DECISIONS

These days nearly everybody is putting resources into something regardless of whether it is a bank account in a nearby bank or a financial record of their income or with the home that they have purchased for their home.

EQUITY INVESTMENT

Stocks are reserves that address proprietorship or value in an association. In the wake of buying the shares, you currently own the proprietorship shares regardless of how little the association and you are qualified for get a bit of that element and resources

BONDS

An organization needs resources for adventure into new business areas, while governments need cash for everything from establishment to social tasks.

GOLD INVESTMENT

Gold is the most valuable metal. It is a test of highly targeted market experts that conventional stock and bond speculative vehicles are in their unequal position and may be due to excessive modification. Why is gold "as big as it used to be" is an interesting question.

DATA COLLECTION:

- **Primary Data:**

Data collected through interactions and interviews.

- **Secondary Method:** The secondary data collection method includes:

- The lecturers delivered by the superintendents of respective departments.
- The brochures and material provided by **COUNTRY DELIGHT**.
- The data collected from the magazines of the **NSE, economic times, etc.**
- Various books relating to the investments, capital market and other related topics.

Then the averages of returns over a period of 12 years are considered for the purpose of comparison of investment options. Then, critical analysis is made on certain parameters like returns, safety, liquidity, etc. Giving weightage to the different type of needs of the investors and then multiplying the same with the values assigned does this.

TOOLS FOR ANALYSIS:

Tools and technique:

1. Net present value:

$$NPV = \sum_{t=0}^n \left(\frac{R_t}{(1+i)^t} \right)$$

R_t = net cash inflow-outflows during a single period

I = discount rate or return that could be earned in alternative investments t = number of time periods

The decision rule: Accept, if $NPV > 0$ Reject, if $NPV < 0$

2. Average Rate of Return:

$ARR = \text{Average returns during the period} / \text{Average investment}$

3. Profitability index:

$PI = (NPV + \text{Initial investment}) / \text{Initial investment}$ PI = Profitability index

NPV = Net Present Value

4. Present value: $PV = FV \cdot 1 / (1+r)^n$

PV=Present value FV= Future value r= rate of return

n= number of periods

5. Internal Rate of Returns:

IRR= Future Value/Present Value

6. Ratio Analysis:

Liquidity Ratio: $CR = CA/CL$

Solvency Ratio=Total Debt/Total Assets Profitability Ratio: Net Margin= Net Income /Sales

LIMITATIONS OF THE STUDY

- More information collected is secondary data.
- These data are compared and analyzed in order to support the effectiveness of the implementation of the investment options in the last 5 years.
- It was very hard to get information on the income of others. The average values have been taken here.
- When considering the returns from mutual funds only the best plans were considered.
- Few investment options that change month to month. So values are chosen accordingly.

DATA ANALYSIS

STOCK RETURNS

PERFORMANCE ANALYSIS OF RETURNS

The below table shows returns and percentage change of performance analysis of the past 5 years.

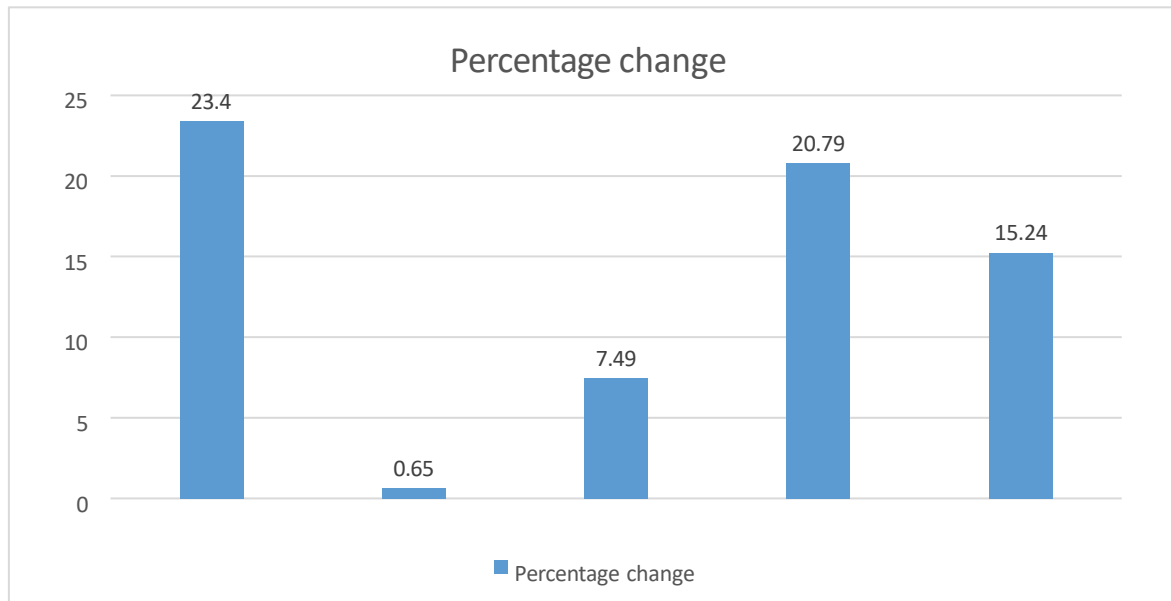
YEAR	INDEX*	ABSOLUTE CHANGE	PERCENTAGE CHANGE (%)
2020	18786	4389	23.4
2021	18908	122	0.65
2022	20323	1415	7.49
2023	25631	5308	20.79
2024	30241	4610	15.244

Source: performance analysis

- $ABSOLUTE\ CHANGE = P2 - P1$
- $PERCENTAGE\ CHANGE\ (%) = (P2 - P1) / P1$

P1 – Present year. P2 – Previous Year.

Chart 4.3 PERFORMANCE ANALYSIS OF RETURNS



Interpretations:

In the time of 2016, which is an underlying year, the Sensex 18786 focuses in the file considered as no change.

In 2020, the Sensex is dropped down with 122 focuses which brought about 0.65% change. It isn't improvement in the market as it has exceptionally less return contrasted with the last year i.e., 2020.

In 2021, the Sensex is moved upwards with 1415 focuses which brought about 7.49% change which little improvement on the lookout.

In 2022, the Sensex climbed to 5308 focuses in this year where there is part of progress, the Sensex shut in a benefit that is in change i.e., 20.79%.

In 2023 the Sensex was shut in 4610 focuses which brought about difference in 15.24%. The downturn happens in 2020, so the market tumbles to 122 focuses (0.65%).

Toward the finish of the 2022 market has cover with a colossal benefit 5308 focuses (20.79%).

FINDINGS

From the analysis of data, we have following findings.

- It has been noticed the in 2022 SENSEX came to up to 5308 focuses in this year where there is part of progress, the Sensex shut in a benefit that is in change i.e., 20.79%.
- Regarding the rate change in BSE 100 In the year 2023, the Sensex shut with 1072 focuses with change in 13.49%. In 2021 the SENSEX was shut in +2022 focuses with 29.06% change.
- About the rate change in BSE 200, the market was shut 255 focuses on the finish of the 2023 market has covered with the SENSEX rate benefit is 11.67% and toward the end and 2020, the Sensex climbed with 802 focuses i.e., 47.57%.
- It is seen that yearly rate change in bond returns has extraordinary fall in the years 2022 and 2023 i.e., - 2.21% and - 4.94% separately.
- About the progressions in gold returns from 2022 to 2023 the gold rates change got increment according to the rate are 12.6%, - 38.64%.
- Also, it is having been seen in the event of profits in shared assets there is expansion in magnum charge acquire from 104.70 to 164.30, increment from 92.20 to 74.70 which is an abrupt abatement and expansion in the event of chief assessment reserve funds. There is lessening of expense saver from 102.60 to 92.60 in the event of HDFC.

SUGGESTIONS

The following are suggestions.

- Exchange authorities must take steps to educate investors about their rights and responsibilities.
- Also, exchange authorities must be careful to prevent a sharp drop in prices.
- Mutual fund product should be designed and crafted in such a manner to be introduced in such a manner to give a feel of innovative products to improve the scope of the mutual funds market.
- The need and preferences of each segment of investor is different so the mutual fund product must be designed to cater the need of each segment of investor.
- For increasing the trust and loyalty among various types of investors, complete and proper information must be communicated to them.
- It is best to hold stock of several different companies, if any area economic goes down, you have something to fall back on.

CONCLUSION:

The study provides a comprehensive evaluation of various asset classes to assist investors in navigating a complex financial ecosystem. By shifting away from traditional, rigid avenues, modern investment planning requires a dynamic model that balances safety, liquidity, and maximized yields across equity, debt, commodities, and mutual funds.

Based on the empirical financial data and comparative analysis spanning the last five years, the following definitive conclusions have been drawn:

Macro Market Resilience & Equity Volatility: The analysis of the benchmark SENSEX, BSE 100, and BSE 200 indices reveals strong long-term growth with calculated cyclical corrections. The monumental recovery in 2022, where the SENSEX recorded a 20.79% positive change, underscores the high-reward potential of equities for investors possessing a higher risk tolerance. However, fluctuations like those seen in the BSE 100 during 2023 (13.49% change) emphasize that equity investments require continuous tracking and a long-term horizon.

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