ISSN 2319-5991 www.ijerst.com
Vol. 22, No. 2, 2026

A STUDY ON RISK AND RETURN ANALYSIS OF SELECTED MUTUAL FUND PORTFOLIOS

KOTI PRABHAS, S. SHABANA
MBA Student, Assistant Professor
DEPT OF MBA
PVKK INSTITUTE OF TECHNOLOGY(AUTONOMOUS), Anantapuramu – 515001 (A.P)
kotiprabhas359@gmail.com, shabana786mba@gmail.com

ABSTRACT

Risk and Return analysis plays a key role in most individual decision making process. every investor wants to avoid risk and maximize return. in general, risk and return go hand.
If an investor wishes to earn higher returns than the investor must appreciate that this will only be achieved by accepting a commensurate increase in risk.

based on risk and return analysis, high risk gives high returns with low risk gives to low return, based on this concept in banking and automobile sector high risk gives low return, and in information technology, fast moving consumer goods, pharmaceutical sector low risk gives high return. Alpha stock is positive and the companies are independent to market return and have a profitable return.

I.INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of an investment is that it involves 'waiting' for a reward. It involves the commitment of resources which have been saved or put away from current consumption in the hope that some benefits will occur in future. The term 'Investment' does not appear to be as simple as it has been defined. Investment has been further categorized by financial experts and economists. It has also often been confused with the term speculation. The following discussion will give an explanation of the various ways in which investment is related or differentiated from the financial and economic sense and how speculation differs from investment. However, it must be clearly established that investment involves long-term commitment.

Returns:

A major purpose of investment is to set a return of income on the funds invested. On a bond an investor expects to receive interest. On a stock, dividends may be anticipated. The investor may expect capital gains from some investments and rental income from house property.

Risk:

In the investing world, the dictionary definition of risk is the chance that an investment's actual return will be different than expected. Technically, this is measured in statistics by Standard Deviation. Risk means you have the possibility of losing some, or even all, of our original investment.

Risk consists of 2 components:

1. Systematic risk (uncontrollable risk) non-diversifiable risk
2. Unsystematic risk (controllable risk) diversifiable risk

Systematic Risk:

The risk that affects the entire market, the factors are beyond the control of the corporate and the investor. They cannot be avoided by the investor. It is sub-divided into.

1. Market risk
2. Interest rate risk
3. Purchase power risk

Unsystematic Risk of Diversifiable Risk:

It is unique to the firm or industry. It stems from managerial inefficiency, technological changes, consumer preferences, labour problems etc. The magnitude and nature differs from firm to firm, industry to industry.

It can be classified into 2 types

1) Business risk

- Internal risk
- Fluctuations in sales
- Research and development
- Personal management
- External risk (P,E,S,T factors)

2) Financial risk
   It is associated with the capital structure of the company.

STATEMENT OF THE PROBLEM

The problem undertaken to study in the present project work is to calculate returns and risk associated with different stocks listed on NSE Stock Exchange. Returns and Risk are calculated to study the price movements in the stock market. After doing this project one can make decisions regarding the investment in which company one can expect.

NEED FOR THE STUDY

Stock Markets have existed in India for a very long time yet the professionals in the field of finance talking negatively about these instruments. The reason why I bring it up again is that it is very important to understand what the old system was verse the new the old system were based on trust. They were closed group system and hence deviation from truly competitive markets. Such closed groups are vulnerable to problem when the demand of the economy reach beyond the capacity of the group and group has expended without open and transparent criteria for entry, the net work of trust gets disrupted, with the result that the system is disrupted by frauds.

On the other hand, the modern market place of Stock Markets, having well developed risk management, transparent rules for entry and stringent regulation, is faceless. That the old type system had to transform into a new is definitely clear they have played a very important role in the past. In is merely that had to modern markets to keep up with the demand of the times.

SCOPE OF THE STUDY

The present study has been undertaken to observe the risk and returns associated with few selected stocks. The scope of the study consists of 15 Company stocks from different sectors like infrastructure, Pharmacy, Automobile, Power, Public Sector and Energy etc., the scope of the study is confined to 50 Companies.

OBJECTIVES OF THE STUDY

1) The main objective of this project is to analyze the price fluctuations of various companies.
2) To observe the relation between Returns and Risk in the daily fluctuations in prices.
3) To evaluate the price movements of the selected stocks based on fundamental analysis.

RESEARCH METHODOLOGY

Data Collection:

In this study, we obtain the data from interviewing the respondent on the issues of interest, various websites, journals, newspapers, books, etc and documented information from annual report had been used to explores various alternatives regarding equity investment

Primary Data:

Primary data is the one which is collected specifically for the purpose of the project, and can be obtained from various people working in the organization. For this study the primary data was collected from following sources.

- Discussion with manager.

Secondary Data:

It refers to the statistical material which is not originated by the investigator himself but obtained from someone else's records, or when Primary data is utilized for any other purpose at some subsequent enquiry it is termed as Secondary data. However, it plays a significant role in the project. For this study the secondary data was collected from the following sources.

- Books related to risk and returns management
- Websites related to risk and returns management
- documented information from annual report of this company

Statistical Tools Used:

Project has been done using selective technical tools .This research study has been based on descriptive and explanative and exploratory method. It describes securities market in India, and explains risk and returns involved in equity investment. Finally it explores various alternatives regarding equity investment.

Period of Study

Study is restricted for last 3 years (2022-2025).

LIMITATIONS OF THE STUDY

1) This project report data collected from secondary sources only.
2) This project analysis report may not be applicable in all equity markets.
3) Project took only 15 companies of NSE for equity analysis. It will not applicable to total NSE'S Nifty Index.
4) The accuracy of the study is based on the accuracy of the data presented in the NSE listings.
5) Detailed study of topic was not possible due to limited size of the project. The time taken for the study is limited.

II.REVIEW OF LITERATURE

Sees the objective of teaching financial management to be to help managers and potential managers to make sensible investment and financing decisions. Acknowledges that financial theory teaches that investment and financing decisions should be based on cash flow and risk. Provides information on payback period; return on capital employed, earnings per share effect, working capital, profit planning, standard costing, financial statement planning and ratio analysis. Seeks to combine the practical rules of thumb of the traditionalists with the ideas of the financial theorists to form a balanced approach to practical financial management for MBA students, financial managers and undergraduates.

This paper aims to gain exposure to Australian real estate investment trusts (A-REITs). Many institutional investors make use of securitised property funds as they employ experienced property professionals with specialist knowledge of underlying property fundamentals, direct property markets and the 30-plus A-REITs. As securitised property funds operate in a competitive environment, investment performance benchmarks are important.

To achieve long-term performance, superannuation balanced funds typically invest in a range of defined asset classes based on a strategic asset allocation approach. In an Australian context, the purpose of this paper is to examine the performance of the balanced investment option against eight different investment strategies and how the property allocation changes with different asset allocation models.

III.DATA ANALYSIS & INTERPRETATION

TABLE-3.1

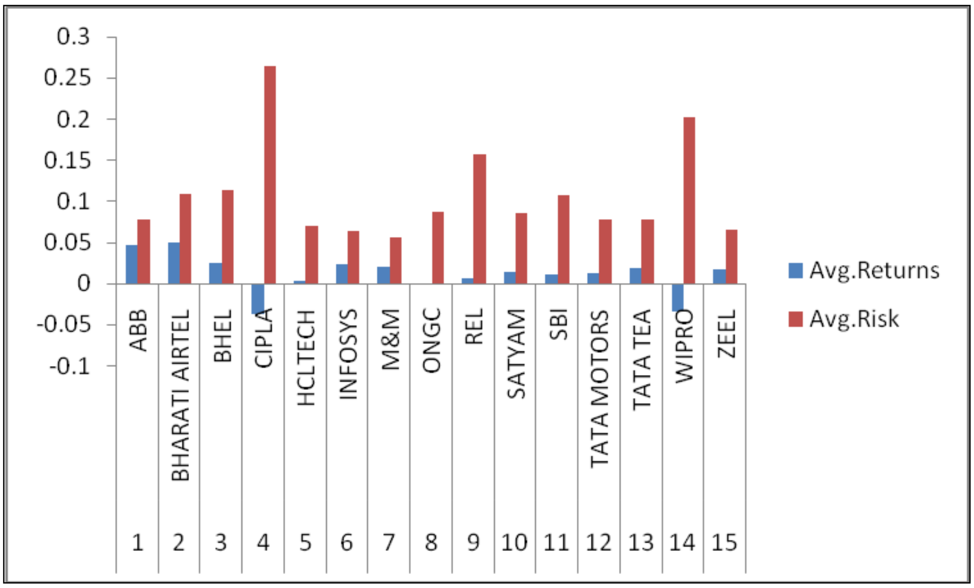
SELECTED COMPANIES AVG RISK & AVG RETURN FOR THE YEAR 2022-2023

S.No.	Name of the company	Avg. Returns	Avg. Risk
1	ABB	0.046	0.077
2	BHARATI AIRTEL	0.050	0.108
3	BHEL	0.024	0.114
4	CIPLA	-0.037	0.264
5	HCLTECH	0.003	0.069
6	INFOSYS	0.023	0.063
7	M&M	0.020	0.055
8	ONGC	-0.001	0.086
9	REL	0.006	0.157

10	SATYAM	0.013	0.085
11	SBI	0.010	0.107
12	TATA MOTORS	0.012	0.077
13	TATA TEA	0.019	0.077
14	WIPRO	-0.034	0.202
15	ZEEL	0.016	0.065

GRAPHICAL REPRESENTATION OF AVERAGE RISK AND AVERAGE RETURN FOR YEAR 2022-2023

Graph no



INTERPRETATION:
CIPLA and WIPRO are in loss and risk is more, ABB is showing less risk compare to other companies in 2022-2023.

TABLE-

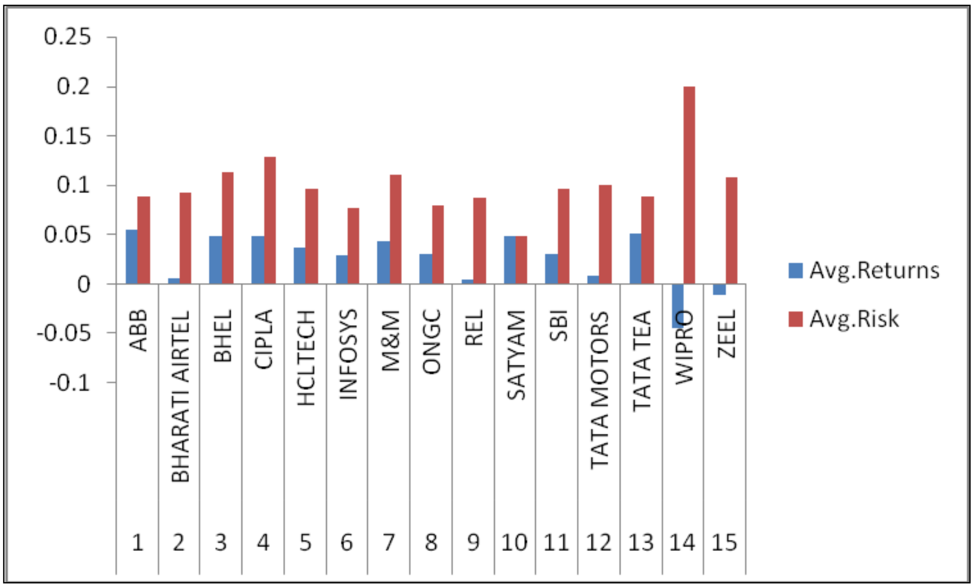
SELECTED COMPANIES AVG. RISK & AVG. RETURNS FOR THE YEAR 2023-2024

S.No.	Name of the company	Avg. Returns	Avg. Risk
1	ABB	0.055	0.089
2	BHARATI AIRTEL	0.006	0.093
3	BHEL	0.049	0.113
4	CIPLA	0.049	0.128
5	HCLTECH	0.037	0.096
6	INFOSYS	0.029	0.077
7	M&M	0.044	0.110
8	ONGC	0.030	0.080
9	REL	0.004	0.087
10	SATYAM	0.048	0.048

11	SBI	0.030	0.096
12	TATA MOTORS	0.008	0.100
13	TATA TEA	0.051	0.088
14	WIPRO	-0.045	0.199
15	ZEEL	-0.011	0.108

GRAPHICAL REPRESENTATION OF AVERAGE RISK AND AVERAGE RETURN FOR YEAR 2023-2024

G M CHART



INTERPRETATION:

WIPRO and ZEEL are in loss and risk is more, ABB earned more returns than other companies and risk is less compare to other companies in the year 2023-2024.

FINDINGS

After the data is analyzed the following facts have been observed.

2022-23: From risk-return analysis of it is found that risk of all companies are higher than their returns, but in comparison returns of ABB and BHARTHI AIRTEL has higher, where as CIPLA and WIPRO has negative returns.

2023-24: From the analysis, the risk of all companies is higher than their returns excluding satyam (Mahindra satyam). In comparison returns of ABB and TATA TEA is higher, WIPRO continued its negative returns along with ZEEL.

2024-25: From the analysis, the M&M is performing better than other companies. In this year most of the companies has negative returns. Satyam in particular has negative returns and higher risk, this is due to BANKRUPTCY.

IV.SUGGESTIONS

After observing the facts found out after the analysis and interpretations the following suggestions are made to the investors.

1. When there is more risk, the return will also be highs but this does not hold in all situations especially in the case of economic crisis.
2. As the world economy is influenced by US economy, the worst scenario of US economy is influencing the others countries stock markets.
3. The sentiments and emotions sometimes play a vital role in causing fluctuations in the stock markets. Therefore it is not advisable to invest at the time of crisis.
4. When markets are sliding down steeply, the investors will not be protected against the risk of investment. Therefore it is not advisable to invest when the markets are very volatile.
5. Always it is felt that market position never stays for a long time. In this opinion Bullish and Bearish markets end after some time. Therefore one can invest the time of Bearish and soon after they reach bullish trend they can sell them off.

V.CONCLUSION

The present project work has been undertaken to study the risk-return relationship of individual securities as well as nifty index to observe whether the stock prices have any relationship with risk and return. As this project work is done by studying 15 individual stocks of nifty and nifty index, there is much scope for the analysis, interpretation and conclusion.
As the economy is fluctuations very badly, the stock prices are affected by these fluctuations and the market has become so volatile. In this situation investors should be very careful. The firm which is dealing the trading of share market should be caution enough so that investors may not suffer losses.

BIBLIOGRAPHY

BOOKS:

- .Securities Analysis And Portfolio Management , Donalde, Fisher & Ronald J.Jodon , 6th Edition
- Security Analysis ad Portfolio Management, Sudhindra Bhatt, Excel Publications
- Security Analysis ad Portfolio Management, Kelvin S.
- Investment Analysis and Portfolio Management, Prasanna Chnadra
- Financial Management and Policy, Van Home, James C, Englewood Cliffs, N.J.Prentice Hall, 1995
- Money and Stock prices, Sprinkel, Beryl, W., HomewoodIll, Richard S. Irwin, Inc, 1964.
- Portfolio and Investment Section: Theory and Practice, Prentice Hall, 1984
- Investment and Portfolio Analysis, Levy, Haim and Sarnat, Marshal: John, Wiley, 1984

WEBSITES:

- https://www.investopedia.com/
- https://www.nseindia.com/
- https://www.bseindia.com/
- https://www.icici.com/
- https://www.moneycontrol.com/