Task 6

Diversification

Getting involved with different types of things) is a risk management success plan(s)/way(s) of reaching goals that mix a wide variety of investments within a mix of stocks, bonds, etc./document collection? Having money saved among lots of different kinds of stocks, bonds, etc. Contains a mix of clear/separate valuable thing types and possible ways to make money in an attempt at limiting exposure to any single valuable thing or risk. The reason for this way of doing things is that a (mix of stocks, bonds, etc./document collection) built of different kinds of valuable things will, on average, yield higher long-term returns and lower the risk of any individual holding or security.

A mix of stocks, bonds, etc./document collection) holdings can be branched out/done different things not just across valuable thing classes, but also within classes by investing in foreign markets as well as domestic markets. The idea is that the positive performance of one area of a (mix of stocks, bonds, etc./document collection will outweigh the negatives in another.

Time and budget restrictions can make it hard for noninstitutional people or businesses who give money to help start businesses--i.e., people--to create a well enough (having money saved among lots of different kinds of stocks, bonds, etc.). This challenge is a key reason why (ways of investing money) are so popular with retail (people or businesses who give money to help start businesses). Buying shares in a (way of investing money) offers an inexpensive way to (branch out into different things) investments.

While ways of investing money provide (getting involved with different types of things across different valuable thing classes, exchange-traded money ETFs afford person or business who gives money to help start a business) access to narrow markets such as things of value and international plays that would normally be very hard to access. An individual with a $100,000 mix of stocks, bonds, etc./document collection can spread the investment among ETFs with no overlap.

Expected returns

|  |  |
| --- | --- |
| Single asset portfolio | Dual asset portfolio |
| A (-4.594673) | D (0.001889623) |
| B (-4.9684714) | E (-0.003445325) |
| C (-5.070475331) | F (-0.001330435) |

Single asset portfolio from the above data can be concluded is riskier and can only give linear gains and losses. However It is harder to achieve diversification. Depending on what study you are looking at, you must own between 20 and 100 stocks to achieve adequate diversification. Going back to portfolio theory, this means more risk with individual stocks unless you own quite a few stocks.

Achieving this diversification is harder the less money you have. Especially when you start investing, you are subjecting yourself to more risk due to the lack of diversity. (See also: Investing for Safety and Income: Introduction.)

It requires more time from you to monitor your portfolio. You need to ensure that the companies you've invested in aren't having business problems that could wipe out your bet. You also need to monitor industry and economic trends. You're your own portfolio manager, so you must spend the time to ensure you're not holding a bad position.

You must keep your emotions in check. It becomes easier to sell a loser or buy a hot-tip stock because you can instantly log in and make the trade in minutes. This can increase your fees for trading and can also lock in losses that would have been avoidable by holding something a bit longer.

2nd part

HDFC, Spicejet, and ONGC are some of the renowned listed companies in the stock market. Owing to Lokit Nagi’s expertise in the field of stocks and investments, he is an investor himself, facilitated the project to get a bird’s eye view of the project. Kartik Sundrani, a person who is great with numbers and also has probability and statistics on his fingertips, helped us with the formulation, and structure of the sheets. Tanishq Navin Upreti made the best of the opportunity by collaborating with these special minds and tackling all the problems that came their way.

Stock individual analysis was done by Kartik

Portfolio Analysis was done by Tanishq Navin Upreti

Creative tasks were handled by Lokit