



A COMPARATIVE ANALYSIS OF RETURN UNDER ONE TIME INVESTMENT PLAN AND SYSTEMATIC INVESTMENT PLAN IN MUTUAL FUNDS.

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Abstract :

The mutual fund business has grown significantly in the last two decades. The relevance of the Indian mutual funds business has grown in recent years as the number of schemes has increased along with the mobilization of money. Mutual funds must perform as effective institutional investors in order to meet the expectations of a wide range of investors. Many people wish to save money in such a way that they earn a higher return on their investment after a particular length of time. People on the other hand, find it difficult to choose amongst the many schemes available in a mutual fund. This article focuses on some of the most popular mutual fund schemes and their performance over the last year in both directions. Mutual funds can be purchased in one of two ways: -

Method 1 Systematic Investment Plan (SIP)

Method 2: LUMPSUM

The study's goal is to determine which method of investing in mutual funds is most rewarding.

Key words: *Mutual fund, Compare of fund, Profitable Fund, Investment*

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Introduction :

People nowadays recognize the value of saving and investing their money. People invest money for the future and have many options in the financial markets for doing so, such as a fixed deposit under the banking system, saving schemes available at post offices, and people are also interested in investing their money in gold for the future with the expectation that the price of gold will rise in the future and they will receive a good amount of returns from their investing gold, or invest money to buy a house, invest in bonds, debentures, and company shares in order to receive dividends or interest. People also put their money into Mutual funds which are also popular among investors. Because of the returns that mutual funds generate, they are becoming increasingly popular. A mutual fund is a collection of investments from a variety of individuals and institutions with a common investment goal. The money is



pooled and managed by a financial professional known as a fundmanager, who invests the money in various securities in order to provide the best possible return for the investors.

One time investment plan / Lump Sum :

A lump sum amount is a single, bulk amount locked into a one-time mutual fund investment. Lump-sum investments in mutual funds are usually preferred by prominent players and investors who particularly depend on company stock appreciation for capital creation. For an investor with a sizable investment amount and a high-risk capacity, a lump sum mutual fund investment can be a good opportunity.

Systematic investment plan popularly known as a SIP :

It is a method of investing fixed sums of money on a regular basis. This can be done on a monthly, quarterly, or semi-annual basis, for example. It may be easier to reach your financial goals if you invest consistently in this manner.

This plan is comparable to a routine saving strategy like a recurring deposit in that it invests an amount for a continuous term at a regular frequency. It is a method of investing a set amount of money in a mutual fund on a monthly basis, allowing the investor to purchase units on a set day each month.

When the investor selects the amount and mutual fund scheme, the investor receives the same number of units when the market is less when the market is low and less number of units when the market is high and less number of units when the market is rising.

Mutual funds are generally of three types:-

1. Equity
2. Debt
3. Hybrid funds

Equity mutual fund invest in stock and equity related instruments that's the sense they are design as high risk funds While **Debt mutual fund** invest in bonds and papers, and fixed income Assets they are known to be a secure investment instrument.

Hybrid funds invest across equity and debt instruments. There are occasions when the fraction of debt is lower than equity; it would be an alternative way around as well as in this manner written and describes a perfect balance.

Investing is the process of allocating funds to assets in the hopes of making better investments in the future with the goal of earning a profit.

Review of literature:

1. B. Kishori & M. Midhun (2019) : "A Comparative Study On One Time Investment And Systematic Investment Plans In Mutual Funds- Conceptual Study" Pramana Research Journal Vol-9, Iss-5(2019), ISSNNO:2249-2976 There searcher explain that SIP is a feature especially designed for investors who wish to invest small amounts on a regular basis to build wealth over a long term. It inculcates the habit of regular savings and does not



encourage timing and speculation in the markets. The study would be helpful for the small investors by entering into capital market by using the Systematic investment plan

2. “A Study On Mutual Funds In India” Ms. Shalini Goyal & Ms. Dauli Bansal International Journal of Scientific & Engineering Research, Volume 4, Issue 5, May-2013 1482 ISSN 2229-5518 This paper focus on the entire journey of mutual fund industry in India History and Ranking of mutual fund. Mutual Fund investors are of the view that the investor needs to adopt two crucial skills for successful investing i.e. a sense of timing and investment discipline both need to be adopted at the same time.

Objectives :

The main goal of this research paper is to determine if investing in a lump sum or in a series of installments is a better option. What are the ways in which mutual funds can help investors make more money?

1. To understand the return of mutual fund scheme under SIP & Lump Sum
2. To examine the mutual fund industry's performance throughout the previous year.
3. To compare the performance of mutual fund schemes in both directions.

Hypothesis:

Following hypothesis have been formulated for the study:

H1: Investing through a SIP yields higher returns than Lump Sum

H0: Investing through a Lump Sum yields higher returns than SIP

Methodology :

To find out the solution 3 different schemes of mutual fund at certain period of time was used Method of data collection is Secondary and Research is descriptive.

Limitation Of Study :

1. Only 3 schemes of mutual fund considered
2. Period of investment is only 1 year
3. For SIP as well as Lump Sum both investment amounts are the same and limited.

Data Collection :

The method of data collecting is secondary. Data is gathered from on-site data and NAVs are calculated using data from www.moneycontrol.com, www.grow.in, and www.amifindia.com.



Table no.1

Investment made in Hdfc Small Cap Fund (Regular Plan Growth Plan) Schemes of mutual fund for 1 year

Month /Year	SIP Amount Investment	NAV as on date	No. of Units (Cumulative Unit)	Value as on Date	Lump Sum Amount Investment	NAV as on period	No. of Period	Value as on Period
1JAN 2021	5000	46.47	107.6	5000	60000	46.47	1291.15	60000
3FEB 2021	5000	48.72	210.2	10242	—	48.72		62905
2MAR 2021	5000	53.35	303.9	16215	—	53.35		68883
1APR 2021	5000	53.73	397	21331	—	53.73		69374
3MAY 2021	5000	55.98	486.3	27224	—	55.98		72279
1JUNE 2021	5000	60.41	569	34379	—	60.41		77999
1JULY 2021	5000	66.68	644	42947	—	66.68		86094
2AUG 2021	5000	71.15	714.3	50826	—	71.15		91866
1SEP 2021	5000	69.48	786.3	54633	—	69.48		89709
1OCT 2021	5000	73.78	854	63014	—	73.78		95261
1NOV 2021	5000	74.14	921.5	68321	—	74.14		95726
1DEC 2021	5000	72.32	990.6	71644	—	72.32		93376

From the above table SIP amount of investment is Rs. 5000 every month i.e 60,000 (5000*12) After one Year, investors get a return of Rs. 71, 644 while under Lump Sum investment investors invest bulk amount Rs. 60,000 end of year return Rs.93,376



Table no.2

Investment made in TATA EQUITY P/E FUND REGULAR PLAN GROWTH schemes of mutual fund for 1 year

Month /Year	SIP Amount/Investment	NAV as on date	No. of Units (Cumulative Unit)	Value as on Date	Lump Sum Amount Investment	NAV as on period	No. of Period	Value as on Period
1JAN 2021	5000	155.78	32	5000	60000	155.78	385.1	60000
1FEB 2021	5000	158.87	63.5	10099	—	158.87		61190
1MAR 2021	5000	166	93.6	15552	—	166		63936
1APR 2021	5000	165.95	123.8	20548	—	165.95		63917
3MAY 2021	5000	163.34	154.4	25225	—	163.34		62912
1JUNE 2021	5000	172.81	183.3	31687	—	172.81		66559
1JULY 2021	5000	175.07	211.9	37101	—	175.07		67430
2AUG 2021	5000	181.07	239.5	43373	—	181.07		69741
1SEP 2021	5000	189.86	265.8	50479	—	189.86		73126
1OCT 2021	5000	195.81	291.4	57060	—	195.81		75418
1NOV 2021	5000	203.34	315.9	64255	—	203.34		78318
1DEC 2021	5000	195.98	341.5	66929	—	195.98		75483

From the above table SIP amount of investment is Rs. 5000 every month i.e 60,000 (5000*12) After one Year, investors get a return of Rs.66,929 while under LumpSum investment investors invest bulk amount Rs. 60,000 end of year return Rs.75,483



Table no. 3

Investment made in L&T Emerging Businesses Fund - Regular Plan - Growth schemes of mutual fund for 1 year

Month / Year	SIP Amount Investment	NAV as on date	No. of Units (Cumulative Unit)	Value as on Date	Lump Sum Amount Investment	NAV as on period	No. of Period	Value as on Period
4 JAN 2021	5000	26.82	186.4	5000	60000	26.82	2237.1	60000
1 FEB 2021	5000	26.70	373.6	9978	—	26.7		59732
1 MAR 2021	5000	29.74	541.8	16114	—	29.74		66532
1 APR 2021	5000	30.55	705.4	21553	—	30.55		68345
3 MAY 2021	5000	32.89	857.5	28203	—	32.89		73579
1 JUNE 2021	5000	34.78	1001.2	34824	—	34.78		77808
1 JULY 2021	5000	37.70	1133.8	42748	—	37.7		84340
2 AUG 2021	5000	40.76	1256.5	51217	—	40.76		91186
1 SEP 2021	5000	40.34	1380.5	55690	—	40.34		90246
1 OCT 2021	5000	42.99	1496.8	64348	—	42.99		96174
3 NOV 2021	5000	44.43	1609.3	71503	—	44.43		99396
1 DEC 2021	5000	43.86	1723.3	75586	—	43.86		98120

From the above table SIP amount of investment is Rs. 5000 every month i.e.60,000 (5000*12) After one Year, investors get a return of Rs.75,586 while under LumpSum investment investors invest bulk amount Rs. 60,000 end of year return Rs.98,120.

Finding And Suggestions :

When an investor participates in a mutual fund using the lump sum method, which implies that money is invested all at once at the start based on the NAV, the investor obtains mutual fund units, which will remain in the fund. Only the NAV will change during the holding period, which in our case is one year, whereas with a SIP (Systematic Investment Plan), an investor invests a set amount each month to receive mutual fund units based on the NAV on that date, and those units will increase each month as the investor continues to invest the same amount each month.



According to research, when NAV is low, investors are more likely to receive more mutual fund units, and when NAV is high, they will receive fewer mutual fund units, and NAV of mutual funds is dependent on market conditions. When you invest through a SIP, you have the opportunity to grow your money over time since the number of units will increase each month as the investor invests each month.

However, when investing in Lump Sum, the Unit value remains constant during the investment period, and the price of holding is computed at the conclusion of the investment period using the closing date NAV.

As a result, we can observe that market conditions will have an impact on SIP and Lump Sum Investors.

Keeping track of the performance of the fund scheme you have invested in, as well as the performance of other fund schemes that are performing well, is generally recommended by investment experts.

Conclusion :

According to the preceding figures, lump sum investors who invest in HDFC small cap fund and L&T emerging businesses fund earn higher returns than those who invest in TATA equity P/E fund. This study is critical for individuals who wish to invest in mutual funds but are unsure whether to do so through a systematic investment plan (sip) or a lump-sum investment. They will be able to determine which fund is more beneficial for them as a result of this research, and it will also assist mutual fund companies in determining their profit and growth, as well as their return and scheme performance. SIP investment carries extremely minimal risk and is a far better option than Lump Sum. If investors wish to put a lump sum of money into a mutual fund, they should choose a debt mutual fund and invest when the market is low or the NAV is low, so that it may be sold later when the NAV of the units is high. When using the Lump Sum method to invest, NAV is quite crucial.

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