



AN ANALYSIS OF INVESTMENT AVENUES

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Abstract:

In today's dynamic financial environment, investors are faced with a wide range of investment avenues, each offering varying levels of return and risk. Selecting the right option requires a thorough understanding of both performance metrics and risk factors. This study aims to analyse and compare selected investment avenues—namely gold, silver, Nifty index, Infosys stock, Crude oil, National saving recurring deposit, LIC housing finance, S&P 500 Real Estate and Exchange-Traded Funds (ETFs)—using, secondary data over a ten-year period 2014 to 2024. Key parameters including average return, standard deviation, Sharpe, Jensen's and Treynor ratios, Information Ratio, Sortino Ratio as well as systematic and unsystematic risk, were used to evaluate the risk-return profile of each investment. The findings reveal significant variation among the options. Among the selected avenues, HDFC ranked highest in performance followed by gold, these avenues demonstrated the most favourable risk-adjusted performance, making it the most suitable choice for investors seeking long-term growth with balanced risk exposure. This study highlights the importance of quantitative evaluation in making informed investment decisions.

Key words: Investment, Investment Avenue, Risk and Return.

INTRODUCTION

Investment is a vital aspect of financial planning and wealth creation in modern economies. With growing awareness about the importance of savings and financial security, individuals and institutions are increasingly exploring various investment avenues to achieve their short-term and long-term financial goals. Investment avenues refer to the different options available for deploying surplus funds with the expectation of generating returns in the future. These avenues encompass a wide range of options, including financial assets like stock, bonds, mutual funds, post office schemes, as well as real assets like real estate and precious metals. The decision to invest in a particular avenue depends on multiple factors such as the investor's risk tolerance, expected return, liquidity preference, investment horizon, and overall financial objectives. With the dynamic nature of the financial markets and the emergence of new investment products, it has become essential to thoroughly analyze and compare the performance, risk profile, and return potential of different investment alternatives. This helps investors make informed decisions and optimize their portfolios according to their specific needs.

REVIEW OF LITERATURE

S. Sakthivelu & K. Karthikeyan (2023) has conducted a study on Investors' Investment Preference Towards Various Investment Avenues with the objective to investigate the Investors' Investment Preference towards Investment Avenues. The study in this case examines the Avenue Preference level as determined by descriptive research for the investors. This study identifies the most preferred investment avenues in order G&S (Gold and Silver), B&PO (Bank & Post Office savings), CC (Corporate Companies). It also notes that MF (Mutual Funds) and RE (Real Estate) have lower influence on investment choices. Overall, investors are interested in both traditional and modern investment options. Samridhi Kapoor & Shushma H (2024) has undertaken a study on perception of farmers as investor towards various investment avenues. The objective is to understand how farmers feel about different investment opportunities and to understand the farmers' goals for investing and saving. In this study a single cross-sectional descriptive study employing survey methods was conducted. The study reveal that farmers face obstacles like low income, lack of awareness, and traditional mindsets, which affect their saving and investment decisions. Their choices are influenced by family, media, and demographic factors. Also the study highlights that lack of information and conventional thinking limit farmers' investments. Financial literacy programs are needed to guide them toward better investment options and improve economic growth. Vikas Hooda & Dr. Gurvinder Pal Singh (2024) has taken a study on Awareness of Investment Avenues: A Study of Commissioned Military Officers with an objective to assess the awareness levels of serving Commissioned Officers of Indian Army for various investment avenues. A combination of Exploratory and Descriptive designs have been used in this study to provide adequate flexibility. Non Probability technique of selecting sample has been used for the study. The study shows that Indian Army officers are more aware of safe investments like savings, FDs, mutual funds, and real estate. But they have low awareness of

complex options like crypto, derivatives, and art due to transfers, lack of interest, and legal confusion. Dr. G. L. Malviya¹, Dr. Ashok Soni(2025) has undertaken study on a Comparative Study on Risk and Return Analysis of Investment Avenues: Property, Gold, Shares, FDs, Post Office Schemes, and Mutual Funds with an objective to Study the caparison between various investment avenues from 2020 to 2025. This review paper examined the Gold, Sensex, and property gave high returns from 2020–2025, while FDs and post office schemes gave low returns. Mutual funds performed well and are good for average investors. Diversifying investments and managing risk is important for better returns. Dr. Parul Mittal and Sonal Gupta(2025) explore a study on Analysis of Awareness and Perception of Investors Towards Different Investment Avenues. The study found that economic, socio-cultural, and demographic factors strongly influence how people invest. Investors' awareness and preferences vary across different investment options. Key factors affecting their choices include return stability, tax benefits, and convenience. The study emphasizes the need for better awareness and education among investors to help them choose the right investment based on available opportunities and their personal needs.

RESEARCH GAP:

Majority of the previous studies on investment avenues mainly focuses on investor perception, preferences and behavioural patterns, often lacking performance-based comparisons. There is limited research on the evaluation and ranking of multiple investment avenues using financial metrics. This study will fill the gap by evaluating and ranking selected investment avenues from 2014 to 2024 based on performance measure like return, risk and ratios.

OBJECTIVE OF THE STUDY

- To evaluate the performance of selected investment avenues.
- To rank the selected investment avenues based on parameters to compare.

RESEARCH METHODOLOGY

This study is descriptive in nature and sourced on secondary data collected from reliable online sources such as financial websites, research journals, and investment portals. Financial websites including NSE, BSE India, Moneycontrol.com, investing.com like that. The data includes information on various investment avenues such as stock markets, mutual funds, gold, silver, real estate, post office scheme and others. The data covers a 10-year period from 2014 to 2024, providing a long term perspective on the performance of various investment avenues. This study includes selected parameters such as average return, standard deviation, Sharpe ratio, Treynor ratio, Jensen's alpha, Information ratio, Sortino ratio, systematic risk and unsystematic risk to evaluate the performance of selected investment avenues.

HYPOTHESIS OF THE STUDY

H₀- There is no difference among the means of selected investment avenues.

H₁- There is a difference at least in one of the means of selected investment avenues.

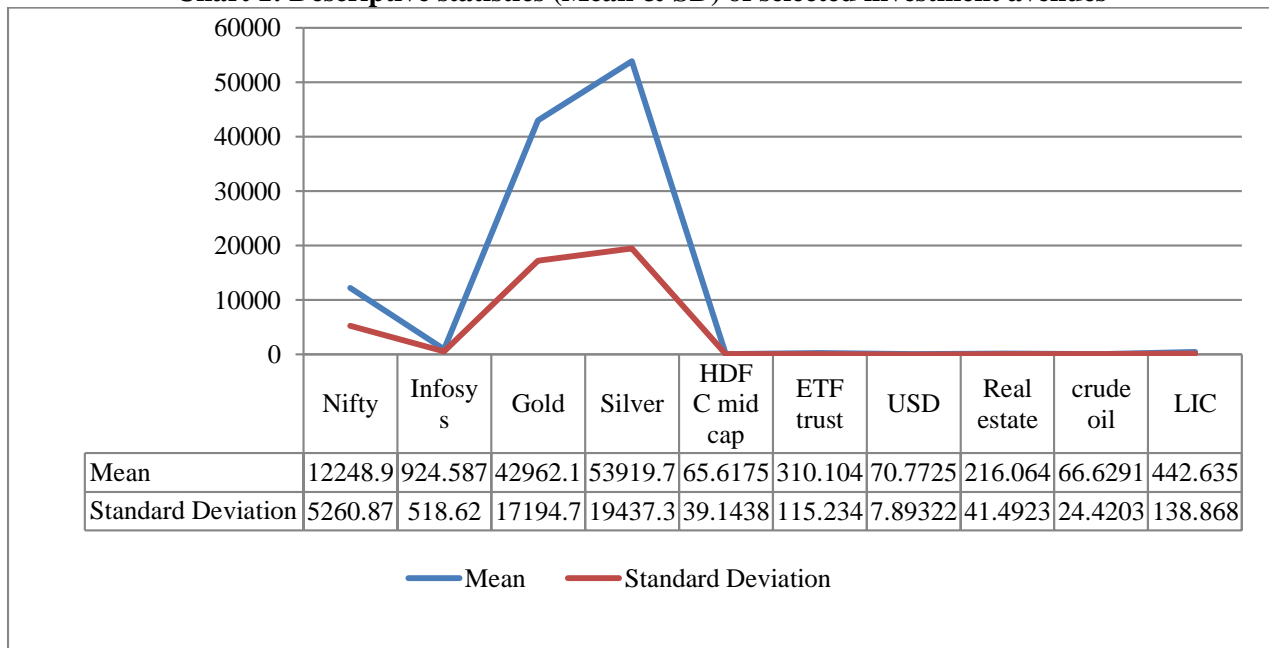
RESULTS AND DISCUSSION

Analysis has been done by using following statistical tools.

Table 1: Descriptive statistics of selected investment avenues

Particulars	Nifty	Infosys	Gold	Silver	HDFC mid cap	ETF trust	USD	Real estate	crude oil	LIC
Mean	12248.9	924.587	42962	53919.7	65.6175	310.104	70.7725	216.064	66.63	442.64
Standard Error	1586.21	156.37	5184.4	5860.56	11.8023	34.7443	2.37989	12.5104	7.363	41.87
Median	10211.8	602.8	35220	43070	56.362	257.47	69.205	197.56	63.91	446.45
Mode	#N/A	#N/A	#N/A	37825	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	5260.87	518.62	17195	19437.3	39.1438	115.234	7.89322	41.4923	24.42	138.87
Sample Variance	2.8E+07	268967	3E+08	3.8E+08	1532.24	13278.8	62.3029	1721.61	596.3	19284
Kurtosis	-0.09624	-0.9074	-0.0253	0.60895	2.34495	-0.93271	-1.1303	1.2548	0.4	-0.986
Skewness	0.90888	0.83158	0.9604	1.17639	1.46454	0.74203	0.34352	1.01297	-0.231	-0.246
Range	16691	1492.56	51570	58710	136.506	333.91	23.328	148.54	85.85	403.2
Minimum	6271.05	410.99	26344	36990	22.512	188.25	60.015	160	18.84	233
Maximum	22962	1903.55	77913	95700	159.018	522.16	83.343	308.54	104.7	636.2
Sum	134738	10170.5	472583	593117	721.792	3411.14	778.497	2376.7	732.9	4869
Count	11	11	11	11	11	11	11	11	11	11

Source: Compiled by authors from different sources

Chart 1: Descriptive statistics (Mean & SD) of selected investment avenues

Source: Compiled by authors from different sources

The table shows that descriptive statistical analysis of selected investment avenues. This reveals that Silver and Gold have the highest average return of ₹53919.7 and ₹42,962.1 respectively, but also come with standard deviations that is ₹19437.3 for Silver and 17194.7 for Gold, indicating significant volatility. Nifty having a strong average return of 12248.9 with a moderate standard deviation of 5260.87, suggesting stable yet rewarding performance. Investment like Crude oil and USD show minimal average returns (₹66.63 and ₹70.77) and relatively low volatility, making them less attractive for growth-focused investors. LIC, with a low mean of ₹442.64 and low risk (standard deviation ₹138.87), appears to be one of the most stable but least rewarding options. Skewness value indicate that most investments like Nifty, Gold, and silver are positively skewed, suggesting potential for unusually high returns. Overall, Silver and Gold emerge as the highest-returning but riskiest avenues, while Nifty stands out as a balanced option with good returns and moderate risk, making it a strong contender for diversified investment portfolios. Safer options like LIC and USD may suit risk-averse investors but offer limited growth potential.

Table 2: ANOVA

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4.03E+10	9	4.48E+09	63.89785	1.74E-37	1.9748292
Within Groups	7.01E+09	100	70144792			
Total	4.74E+10	109				

Source: Compiled by authors from different sources

The ANOVA test reveals that p-value (1.74E-37) is significantly less than the significance level of 0.05, so reject the null hypothesis conclude that there is a significant difference at least in one of the means of selected investment avenues.

Table 3: Correlation of selected investment avenues

Avenues	Nifty	Infosys	Gold	Silver	HDFC mid cap	ETF trust	USD	real estate	crude oil	LIC
Nifty	1									
Infosys	0.8958	1								
Gold	0.9042	0.795	1							
Silver	0.8294	0.681	0.976	1						
HDFC mid cap	0.9782	0.797	0.906	0.854	1					
ETF trust	0.9856	0.939	0.908	0.83	0.943	1				
USD	0.8385	0.773	0.962	0.913	0.824	0.853	1			
real estate	0.7884	0.94	0.592	0.43	0.666	0.833	0.61	1		
crude oil	0.4495	0.508	0.592	0.179	0.387	0.446	0.0517	0.459	1	
LIC housing finance	0.2905	0.015	0.592	-0.03	0.383	0.196	-0.012	0.145	-0.05	1

Source: Compiled by authors from different sources

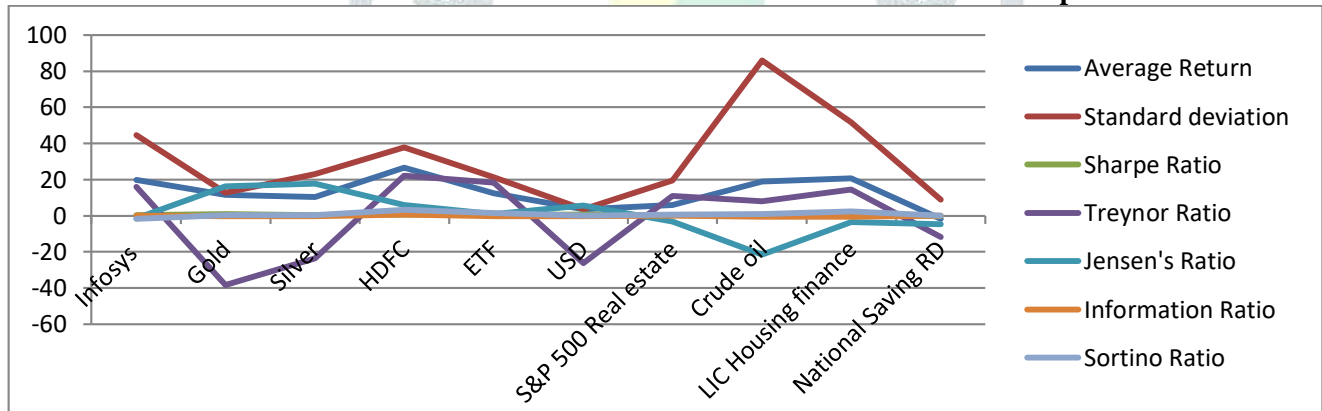
The table shows that green color indicate that high correlation , yellow color shows that medium and red color indicate that low or negative correlation . The correlation analysis reveals that the selected investment avenues such as Nifty, HDFC mid cap, ETF Trust exhibits strong to very strong positive correlations with each other, indicating they tend to move in the same direction. Similarly, Infosys, Gold, Silver and USD show a very strong positive correlation, suggesting they behave alike in the market. Real estate maintenance a moderate correlation, while Crude oil shows weak correlations, indicating it moves more independently. LIC housing finance stands out with very low or even negative correlations indicating with almost all other investment avenues, making it the least connected and potentially a good diversification option in a portfolio.

PERFORMANCE EVALUATION MEASURES

Table 4: Performance Evaluation of selected investment avenues based on parameters

Avenues	Infosys	Gold	Silver	HDFC	ETF	USD	S&P 500 Real estate	Crude oil	LIC Housing finance	National Saving RD
Average Return	19.848	11.404	10.27	26.69	12.39	3.43	5.84945	18.809	20.8042	-1.8564
Standard deviation	44.733	12.789	23.08	37.68	21.35	3.43	19.4256	85.981	51.7386	8.82138
Sharpe Ratio	0.4424	0.8874	0.443	0.707	0.578	0.73	0.29825	0.2181	0.40102	-0.2168
Treynor Ratio	15.849	-38.48	-23.58	22.03	18.29	-26.3	10.9591	7.9646	14.5976	-11.853
Jensen's Ratio	-1.555	16.389	17.63	5.969	0.803	5.57	-3.24332	-21.5	-3.5485	-4.6702
Information Ratio	0.1029	-0.146	-0.148	0.719	-0.39	-0.41	0.11219	-0.625	-0.7333	0.02578
Sortino Ratio	-1.721	0.4062	0.371	3.182	1.399	0.13	0.5744	0.824	2.27248	-0.0258
Systematic Risk	1367.5	76.257	164.7	1282	398.9	14.5	1771.67	245.09	22.8269	4861.5
Unsystematic Risk	633.56	87.292	368.2	137.7	57.06	7.12	132.264	2531.2	905.21	54.9898

Chart 2: Performance Evaluation of selected investment avenues based on parameters



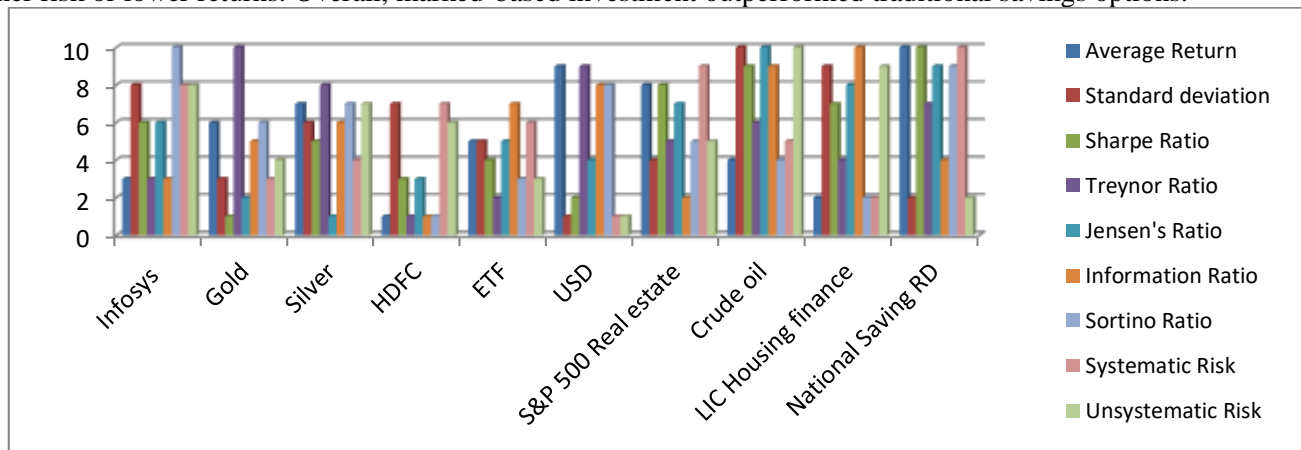
HDFC gives the highest return with good risk-adjusted performance. Gold and Silver show moderate returns with lower risk. Infosys also shows good return but high risk. LIC housing finance shows a decent return with high risk. National saving RD negative return.

Table 5: Rank for selected investment avenues

Avenues	Infosys	Gold	Silver	HDFC	ETF	USD	S&P 500 Real estate	Crude oil	LIC Housing finance	National Saving RD
Average Return	3	6	7	1	5	9	8	4	2	10
Standard deviation	8	3	6	7	5	1	4	10	9	2
Sharpe Ratio	6	1	5	3	4	2	8	9	7	10
Treynor Ratio	3	10	8	1	2	9	5	6	4	7
Jensen's Ratio	6	2	1	3	5	4	7	10	8	9
Information Ratio	3	5	6	1	7	8	2	9	10	4
Sortino Ratio	10	6	7	1	3	8	5	4	2	9
Systematic Risk	8	3	4	7	6	1	9	5	2	10
Unsystematic Risk	8	4	7	6	3	1	5	10	9	2
Grand total	55	40	51	30	40	43	53	67	53	63
Rank for grand total	8	2	5	1	2	4	6	10	6	9

The table shows that rank list of selected investment avenues based return and risk. The analysis shows that HDFC ranks highest among all investment avenues, indicating strong performance with favorable risk-return metrics. Gold

and SPDR S&P 500 ETF Trust also performed well. In contrast, Crude oil, National saving RD ranked lowest due to higher risk or lower returns. Overall, marked-based investment outperformed traditional savings options.



FINDINGS:

Silver and Gold recorded the highest average returns, but with high risk, NIFTY 50 showed balanced return and risk, LIC housing finance and USD were most stable with low returns, ANOVA confirmed significant performance differences, HDFC Mutual Fund ranked the highest overall in performance.

SUGGESTIONS:

- Investors should choose investment avenues based on their risk profile- high risk investors may prefer Silver, Gold, or Equity ; low investors may opt for LIC, USD.
- Investors should diversify investment across different avenues.
- Investors must not rely on returns; instead, they should also consider risk, consistency for a more informed decision.

CONCLUSION:

The study analyzed the performance of selected investment avenues using descriptive statistics, ANOVA, and other financial performance evaluation measure. In descriptive statistics Silver and Gold having highest average return but also come with high volatility, making them suitable for investors with a high-risk appetite. Nifty shows a moderate risk-return balance, positioning it as a strong choice for diversified portfolios. According to correlation table, Nifty, HDFC mid cap, S&P ETF trust exhibits a very strong positive correlations with each other. Additionally, the ANOVA results confirm that the differenced in returns and risks among the selected investment avenues are statistically significant ($p\text{-value} < 0.05$), supporting the conclusion that each avenue performs differently. The all performance evaluation measures such as average return, risk, sharpe ratio etc., HDFC mid cap emerges with the highest rank, indicating it the most efficient and well-performing investment avenue among the options suited.

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