



Investment and Economic Development

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Abstract:

The impact of investment on economic development has been studied by many author's as well as so,many research are conducted in order to figure out the impact of investment on economic development. Many authors conduct the survey by using different research methods. Therefore, everyone has their conflicting opinion about the impact of investment on economic development. There are many types of investment such as public investment ,private investment and foreign direct investment and the study is conducted to know the impact of investment on economic development. The Indian investment accounted for 28.4% of its normal GDP in December 22, compared with the ratio of 32.1% in the previous quarter. Any change in investment shift the demand curve to the right or left. Investment is added to capital stock by that the economic development and growth takes place.

Keywords : Investment , Economic Development, GDP, Foreign Direct Investment

Research Methodology :

This paper bared an secondary data Available in social media as well as primary data ascertain in our surrounding.

Research Area:

Government & Private sector employ of Bilha near Chhattisgarh high court situated in Bilaspur.

Meaning Of Investment:

An investment is an asset which helps the investor to generate future income. This income can be used for many purpose like for repaying the Loans, funding children's higher education, purchase of other assets etc. Investment in other words we can say any step that is taken to earn future income or revenue then that is considered as investment. Investment can be done in assets (land, building), jewellery, and in many investment vehicles such as stock, bonds, mutual funds, and real stock.

In investment there is also certain level of risk associated. Investment is not always profitable and fruitful, it may sometimes generate no income and manytime investor suffer losses.

Key Takeaways:-

1. Investment involves putting capital toward in order to increase its value in future

2. Investment contains high risk and investment does not give guarantee of appreciation. It is possible that investment ends with very less money or no money.
3. In investment there is a future uncertainty and it cannot be predicted.

Top 5 largest investment companies:-

1. Reliance industries Ltd.
2. Tata consultancy Ltd.
3. HDFC bank Ltd.
4. Hindustan lever Ltd.
5. ICICI bank Ltd.

Types Of Investment:-

1. Mutual Fundinvestment:-

Mutual funds are financial investment that takes money from various investors and start investing in securities ,such as stock, bonds, money market instrumrnt etc.

Investors also invest in SIP (systematic investment plan). SIP is also an better option for investment.

2. Stocks:-

Investing in stock is a good investment. Stocks are considered to be growth oriented investment. When an investor purchase the share of any company he becomes a part owner of that company.

Stocks are of 2 types

1. Common stock

2. Preferred stock

3. Bonds:-

Bond is a debt instrument. It means a loan given by the investor to the company and the investor takes certain amount of interest on that loan.

Example of bonds:

| | |
|-----------------|-----------------------|
| Treasury Bills | Corporate Bonds |
| Municipal Bonds | Government securities |

4. Exchange Trade:-

ETFs are traded in stock exchange and are similar like mutual funds. ETFs includes collect of investments such as shares, bonds, etc.

5. Fixed Deposit:-

F.D is the most safer investment option given by the banks to the investor. Banks keep a certain amount of money of investor in the bank and provide certain amount of fixed interest on their deposit.

6. Retirement Planning:-

There are several plans available to the investor. Such as senior citizen saving

scheme (SCSS), pension system, public provident fund (PPF) etc.

7. Cash & Cash Equivalent:-

Cash equivalent tries to protect the investor as well as their investment and cash equivalent offer higher liquidity.

Cash equivalent includes-

1. Time Deposit
2. Overnight Funds
3. Liquid Funds etc

8. Real Estate Investment:-

The real estate sector holds huge holding in several industries like hospitality, manufacturing, commercial housing, and many more, So, the investors have many options to invest.

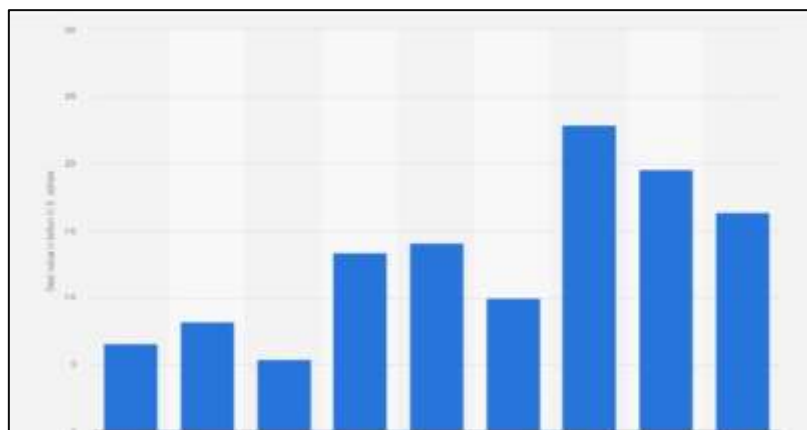
9. Provident Fund:-

Provident fund is an government sponsored retirement scheme that gives employee huge payment.

10. Insurance:-

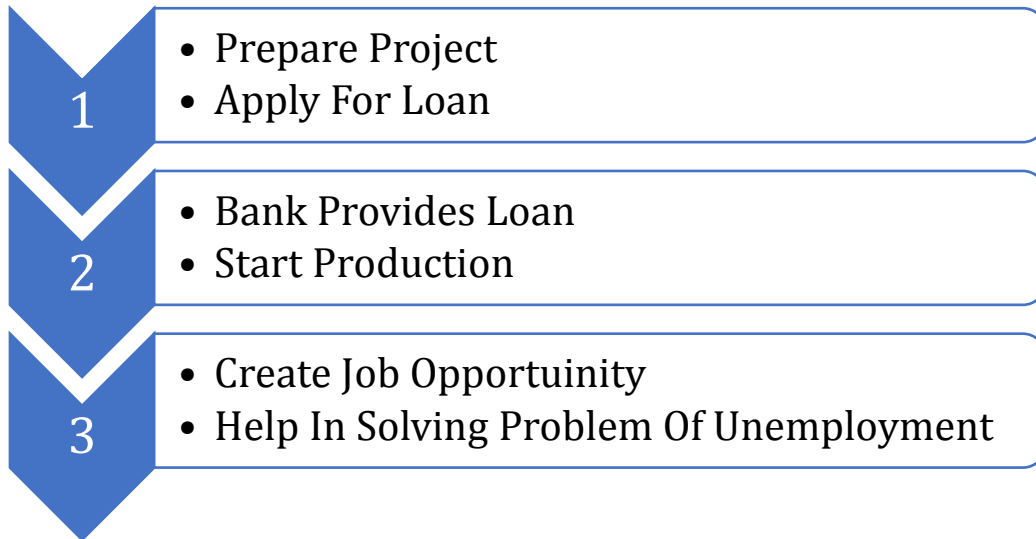
Insurance includes life insurance, marine insurance, fire insurance, etc. Insurance is beneficial for an unfortunate event.

| Year | Inflows, US \$ | % of GDP |
|------|----------------|----------|
| 2021 | \$44.73B | 1.41% |
| 2020 | \$64.36B | 2.41% |
| 2019 | \$50.61B | 1.79% |
| 2018 | \$42.12B | 1.56% |



Economic Development & Investment
 Investment by people help in economic development . It give circular flow of money

In market which create credit in form of various types of loan . which encourage new entrepreneur for their new startup . process of new startup as follows :

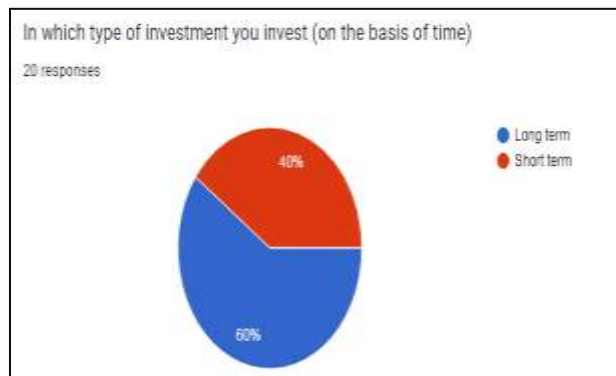


When above steps follow than entrepreneur help in removing poverty and unemployment from that area and these type of small steps help in economic development With the help of digitalization in economy create more cash saving it is approx 9.2% high than last years .

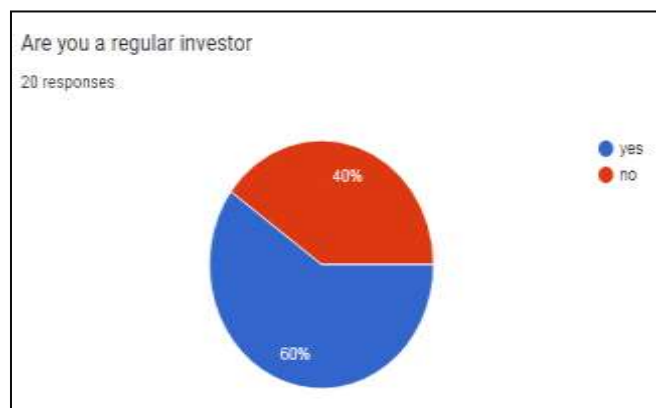
which motivate saving and investment of cash and help to government in economic development.

Conclusion : After research from a sample data following outcomes arise

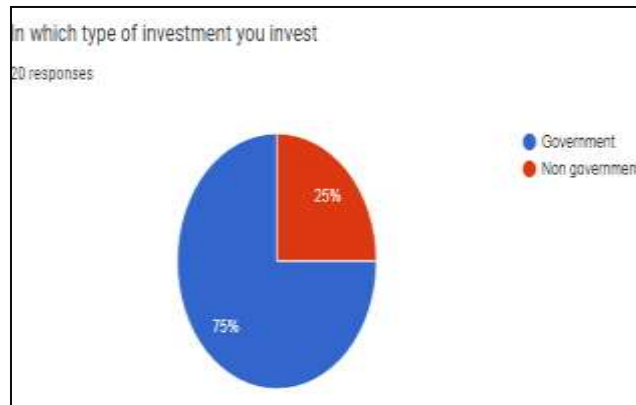
1. More than 50% wants to invest in long term investment .



2. More than 50% people are regular investors .



3. Approx 75% people trust on government investment



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