



[Glossary]

Mutual Funds (Part-2)

Subject:	Business Economics
Course:	B. A. (Hons.), 5 th Semester, Undergraduate
Paper No. & Title:	Paper – 511 Investment Management
Unit No. & Title:	Unit – 4 Mutual Funds
Lecture No. & Title:	Lecture – 2 Mutual Funds (Part-2)

Glossary

Commodity: It is a basic good used in commerce that is interchangeable. It includes agricultural products, fuels and metals.

Benchmark: It is a standard against which the performance of a security, mutual fund or investment manager can be measured.

Bond: It is a debt investment in which investor loans money to a corporate or a government entity, which borrows funds for a defined period of time at a variable or a fixed interest rate.

Dividend: It is a sum paid regularly by a company to its shareholders out of its profits.

HNI: HNI means **High net worth Individual**. High Net worth Individuals (HNIs) are persons/entities with over Rs. 25 lacs in portfolio money.

Large cap: It refers to a company with a market capitalization value of more than Rs.10000 crore. Large cap is a shortened version of the term "**large** market capitalization."

Lock in period: The stipulated period in which the money invested shall remain locked.

Market capitalization: It is calculated by multiplying the number of a company's shares outstanding by its stock price per share.

Mid-cap: Company stocks with a market capitalization between Rs 2000 crore and 10000 crores are mid cap stocks. As the name implies, a mid-cap company falls in the middle of the pack between large-cap and small-cap companies.

Portfolio: It is a grouping of assets such as stocks, bonds and cash equivalents, as well as their funds counterparts.

Risk adjusted return: It refines an investment's return by measuring how much risk is involved in producing that return.

Risk free Asset: It is an asset, which has a certain future return.

Risk tolerance: It is the degree of variability in investment returns that an investor is willing to withstand.

Small cap: It is a term used to classify companies with a relatively small market capitalization. The definition of small cap can vary among brokerages, but it is generally a company with a market capitalization of less than Rs.2000 crore.

Standard deviation: It is a measure used to quantify the amount of variation or dispersion of a set of data values.

Volatility: It is the degree of variation of a trading price series over time as measured by the standard deviation of returns.