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A Study on Risk and Return Management in Automobile Industry

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ABSTRACT

Successful investment needs a vigilant valuation of the investment's possible returns and its risk of loss. A firm's risk and expected returns directly affect its share price. In real-life situations, the risk of any sole investment would not be observed individually of other assets. New investment needs to be considered in light of their impact on the risk and return of the portfolio. In traditional financial analysis, investment management tools allow investors to assess the return and risk of individual investments and portfolios. Generally, the higher the possible return of an investment, the greater the risk. There is no assurance that you will really get a sophisticated return by accepting extra risk. So, a universal understanding of this phenomenon is not sufficient to make correct decisions connecting to investments. A more critical analysis is required to know the investment. This study helps us to understand how the companies diversify themselves in automobile industry and in different companies to maximise the returns and to minimize the risks involved in it.

KEYWORDS: Risk, Return, Investment, Portfolio management, Automobile industry.

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