

# A Study of Advancement of Investment in Digital Era

Shilpa Agarkar  
Research Scholar  
Shri JTT University Chudela,  
Rajasthan

Prof. Dr. Jayshri Patil,  
Assistant Professor  
Dr. D. Y. Patil School of MCA,  
Lohegaon, Pune

Prof. Dr. Ajit Kumar,  
Assistant Professor  
Shri JTT University Chudela,  
Rajasthan

Prof. Vidya Banait  
Department of Computer Science,  
Santaji Mahavidyalaya, Wardha Road,  
Nagpur

**Abstract:-** In this unstable today, everyone is more concerned about the secured future. Financial security and financial independence are everyone's priority. For this, smart saving and investment decisions must be taken. Awareness and knowledge of various financial avenues is needed for the correct decisions. The objectives of this study are to spread awareness of traditional investments options available along with advanced investments options evolving in Digital era its related benefits and precautions to be taken. Cryptocurrency and NFT are evolving investment options in evolving Fintech sector. An attempt is made to study these investments options with their technological evolution.

**Keywords:-** #Investment, #Income, #EarlyRetirement, #Crypto, #DigitalRupaya, #NFT.

## I. INTRODUCTION

As money doesn't grow on trees, it can grow when you save and invest wisely. Today, everyone is concerned about secured future, and willing to have early retirement with cool lifestyle. For the same, one need not to be genius. One just need to know few basics, form a plan and be ready to stick to it. To educate yourself about opportunities for Smart investment decisions is important as future is always uncertain and unpredictable. Investment is very important for financial independence, income growth, achieve personal goal and reduce future risks.

Two important elements of investments are current sacrifice and future benefits. As India is one of the developing countries, there is high money circulation rate which in turns in to vast scope for investments.

Investment is an asset with a goal of generating income or appreciation. It is a pay off by putting the money in productive avenues. It's a process of utilizing resources to increase income and production output in the future. Generally, when an individual purchase a good as an investment, it's not to consume the good but to use it in the future to create wealth.

## II. REASONS FOR INVESTMENT

what are the things you want to save and invest for – a home, a car, an education, a comfortable retirement, children, medical or other emergencies, period of unemployment or caring for parent. Make your own list and set priorities. Following are few broad reasons for investment [1].

- Security of family – this is essential objective of investment. Mainly for kids' education and marriage.
- High returns – is this may be for regular and high returns and can be made in financial and non-financial assets.
- Tax benefits – under the income tax act, 1961, one can invest for and get exemption in taxable income.
- Liquidity - it is preferable my many investors. This type of investment is having ability to convert into cash as and when required.
- Retirement plans – this is important for life after retirement for old age, sickness, house construction etc.

### A. Features of investor and speculator

- Planning period- Investor used to hold his holding for longer period whereas speculator prefer to invest for very short period.
- Owned funds- investors always use his funds whereas speculator prefer to borrow.
- Expectation of return- moderate return with lesser risk is preferred by investors and speculator always look for high returns.
- Risk- investor always takes moderate risk whereas speculator willing to assume high risk.

### B. Factors affecting investments

- Security of money
- Children marriage and education
- Life Security after retirement
- Tax savings
- Regular and best returns
- Educational level

**C. Choosing Right investment**

Building wealth through investment can be started at any age and any income level. One must consider the following key points to choose the right investment [2].

- **Timeline** – one must note down the short term, midterm, and long-term goals. Money earmarked for short term need should be easily accessible and in a safe and stable investment. For mid- and long-term goals, one may go for volatile assets investments.
- **Risk tolerance** – the more risk related to more profit. But more often it is recommended for long term investment. Spreading money across different types of investment can make smooth investment returns.
- **Balance available for investment** – some investments have minimum balance or initial investment requirements. According to one need to plan for investments.
- **Education / consultation / guidance** – before starting any investment one must have basic knowledge of the same. For the same one may learn it from various documents, blogs, video available or can take guidance for the same.

**III. OBJECTIVES OF THE STUDY**

- To identify various advanced investment options available for investment in the digital era.
- Reasons for Investment.
- Spreading awareness about investment.

**IV. RESEARCH METHODOLOGY**

This descriptive study is based on the secondary data collected from published records, periodicals, publications, books, blogs, websites, and journals.

**V. INVESTMENT OPTIONS AVAILABLE**

There are basically two ways to make money.

- You work for money – someone pay you for your work or you own business
- Your money works for you – you save or invest your money.

Saving Vs Investing- Savings are safest places or products where your money is easily accessible at any time. It is recommended to keep up to six months of your income in savings to cover emergency like sudden unemployment or health issues. But not recommended for long term (three years or longer) as the inflation rate is higher than interest rates. Whereas in investment one will have opportunity to earn more money. It is a myth that the greater the risk, the greater reward in investing. Whereas investors always go for diversification for better risk management of their investments [3].

Saving	Investment
Saving Accounts	Bonds
Certificate of Deposit	Stocks
Checking Accounts	Mutual Funds
	Real Estate
	Commodities (gold, silver, etc.)

Table 1: The Basic Types of Products

WARNING!
Before you Invest Always Check with the SEC and your State's Securities Regulator:
Is the investment registered?
Have investors complained about the investment in the past?
Have the people who own or manage the investment been in trouble in the past?
Is the person selling me this investment licensed in my state?
Has that person been in trouble with the SEC, my state, or other investors in the past?

Following are few popular saving / investments option available:

- Post office Saving Schemes – all post office schemes are purely safe and with no risk. Recurring deposits, Kisan VikasPatra, senior citizen saving schemes, Sukanya yojana are few popular post offices saving schemes in India.
- Insurance Policies- insurance policies - life insurance with investment portion, pension scheme – NPS, and tax saving scheme. It provides moderate risk and return.
- Public Provident fund and provident fund- PPF can be opened by anyone in nationalized bank with fixed tenure of 15 years with locking period of 7 years. This is tax saving scheme.

- Bank deposits- it is one of the safest types of investment option. But as rate of interest is less than inflation rate, it is just recommended for very short period.
- Share capital / stocks – this is high risk with high return investment which need knowledge of share market.
- Bonds and debentures – are debt instruments issued by companies and give regular interval returns. Sovereign Gold bonds are perfect alternative to investment in physical gold. With these bond, one can gain capital appreciation and interest also without any risk like in storage of physical gold.
- Real estate – this one-off long-term investment with huge money provides benefits over period. Market factors and

capital gain tax are the factors associated with its risk and returns. It is best for investors who are having a healthy investment portfolio and willing to diversify to get higher returns.

- Mutual funds – Equity, debt, balance fund, index funds, fixed income funds etc. are the types of mutual funds. These scheme pools money from investors to buy stocks, bonds, or other assets. this is an inexpensive way to diversify – spreading money across multiple investments to avoid single investment's losses.
- ETF -Exchange Traded Fund – offer shares of multiple companies within a packaged bundle. It is a type of pooled investment security that operates much like a mutual fund. Typically, ETFs will track a particular index, sector, commodity, or other assets, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way that a regular stock can.
- Pension fund – it's very important investment option in India and can be invested in equity and debt both. The contribution is decided according to age of the investor.
- Gold / silver and precious articles – investment in gold, silver, precious items like painting, sculptures, coins, stamps are common form of investment. It provides liquidity and social status. Its provided liquidity on demand.
- Investment in Digital form– it is a relatively new medium of investment that's gained popularity in past decade. As Fintech phenomenon, along with the Big-Tech fast growing presence in financial service sector, itchanging the structure of financial intermediation. Along with the above traditional saving and investment options, new options as alternative asset class include digital gold, Cryptocurrency and NFT (Non-Fungible Tokens).
  - Cryptocurrency – cryptocurrencies like Bitcoin, Ethereum, Solana are the few most popular for investment point of view.
  - NFT – this is the new form of investment which is blockchain based digital assets.

## VI. INVESTMENT IN DIGITAL FORM

### A. What is cryptocurrency?

Digital assets like crypto currencies and ICO (Initial Coin Offerings) are continuously evolving and sparking interest. These digital assets are based on block chain technology. Block chain is a digital distributed ledger to record a transaction chronologically and publicly. As name suggest blockchain is continuously growing list of records (blocks) which are linked and secured with cryptographic tools and techniques (smart code). Bitcoin (BTC)– the first ever cryptocurrency is the first and foremost blockchain based application and one of the most widely used cryptocurrency today. There are many others Ethereum (ETH), Solana, Dogecoin (Doge), Litecoin (LTC), Ripple (XRP), Tether (USDT), Binance Coin (BNB), Cardana (ADA), USD Coin (USDC), Polkadot (DOT), and so on. [4] [5]

### B. Steps to buy Crypto currency [6]

Choose a broker or crypto exchange – crypto exchange is platform where buyers and sellers meet to trade crypto currencies at very low fees. Some of the most well-known cryptocurrency exchanges are Coinbase, Gemini and Binance.US, WazirX, Zebpay, Coin Switch, Kuber. All these exchanges offer user-friendly easy purchase option. Note: all the transaction need fiat currency transfer and purchase U.S. dollars.

Crypto Broker- offer easy-to-use interface that interact with exchanges for you. Some charge higher fees than exchanges. Others claim to be free on the cost of information exchange. Robinhood and SoFi are popular crypto brokers.

- **Create and verify your account** – for verification of identity next step is to create an account. This is federal regulatory requirements.
- **Deposit cash to invest** – next step is to deposit cash in the created account to buy crypto.
- **Place your cryptocurrency order** – once your account has money, you are ready to place your first order to buy your selected crypto.
- **Select a storage method** – crypto is a digital asset so you need crypto wallets to store the crypto. There are hot wallets (stored online) and cold wallets (offline – stored in external devices like USB drive or hard drive). One may select wallet according to requirement.
- **Alternate ways to buy cryptocurrency-** is invest in companies connected to cryptocurrency like Nvidia (NVDA), PayPal (PYPL), Square (SQ) [6].

### C. Non-fungible token (NFTs)

NFTs has risen rapidly since 2020 and has become one of the most popular application in FinTech field. NFTs are transferrable rights to digital assets, such as art, in-game items, collectable or music, anything that is unique or rare. NFTs are unique certificates of authenticity on block chain that are usually issued by the creators of the underlying assets. These assets may be digital or physical in nature. Prominent example of non-fungible-tokens (NFT) are recorded version of *Madhushala*, curated by Amitabh Bachchan himself sold for \$756000 or Twitter CEO Jack Dorsey auctioning off this first ever tweek for \$2.9 million (Valuables, 2021), which was published on March 21, 2006. Ownership of these assets are recorded on blockchain – a digital ledger (similar to first cryptocurrency – Bitcoin or other cryptos). Each NFT is unique and acts as a collector's item which can not be duplicated by making them rare by designing a smart contract.

Like cryptocurrencies and other types of tokens, NFT is also based on blockchain technology and smart contracts. However, NFTs is a digital asset and not a currency, a commodity, or a technology.

OpenSea, Rarible are NFT marketplaces where Ether (ETH) is used as a payment option, which is evidence of a close relationship between crypto market and NFT market. As crypto market including Bitcoin is volatile, itis having significant effect on the prices of NFTs. So, for buying NFT, one must be mastered in crypto market.

In the first half of 2021, NFTs worth over \$800 million were traded and in 2022 it grows over 200% surpassing \$50 billion. It proves NFTs has received mainstream attention.

Many NFTs exists and can be seen along with the top 100 rankings by sales volume: me: <https://cryptoslam.io/>.

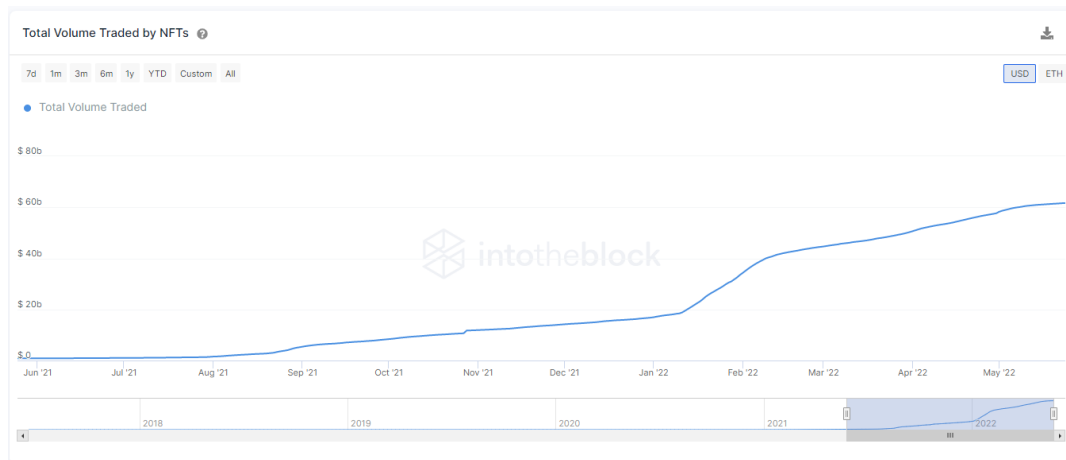


Fig. 1: Year-to-date NFT trading volume. Source: Into The Block app [8]

All this data shows public becoming more aware of the existence of non-fungible tokens (NFTs).

a) Steps to buy and sell NFT [9]

- Get a wallet and fund it – first step towards buying NFT get a digital wallet and buy Ether (ETH). For a wallet you may installed on metamask.io get it as web browser extension and connect it with OpenSea.
- Browse NFT marketplace like OpenSea–explore NFT collections available in trending, top, art, collectibles, domain name, photography, sports, trading cards, utility, and virtual worlds.
- Find desired NFT and make an offer–once you shortlisted NFT, you can buy it directly or make an offer (place bid).
- Actual purchase – hit Buy Now to proceed to checkout. You will see details of the NFT – like name, respective collection, subtotal, and the total. Click on Confirm Checkout. OpenSea will load MetaMask wallet. Here you will see the details of your purchases and estimated gas fees and amount of time to process the transaction. Gas fees can be managed by adjusting transaction speed. Once you are sure about your transaction, hit Confirm.
- Sell your NFT – if you wish to put your bought NFT for sale, just click on sell at the top right bar and you will be redirected to a new page to fill in the conditions of the sale. Here once can choose to sell it at a fixed price or a timed auction on the charge of 2.5% of each sale to OpenSea. On the MetaMask wallet, you need to add your NFT manually. First, click on your NFT and scroll all the way down to details, and click on the ContractAddress – this will redirect you to Etherscan page of specific address of your NFT. Copy that address and in MetaMask wallet, under Import Tokens, choose Custom Token. Paste the address and proceed to add it. Now you can see your NFT right below your funds.
- Buying and Selling NFTs is not hard. But one need to take care as this is a very young market and heavily unregulated with full of scammers in this field and prices are extremely volatile. It is necessary to address it and take precautions to protect your capital.

## VII. FINDINGS OF THE STUDY

- There are various investment options available
- Awareness program about investment must be conducted in every organization / college / high school level
- Medical / health policy (insurance) must be made compulsory for every employee of small and large organizations.
- Investment in Share market and Digital investment should be popularized.
- Advertisement of investment schemes must be reached to the investors which motivate them for saving and investment.
- Investors himself identify and select the best options according to their needs after studying merits and demerits of different options.
- For digital investment, some regulatory body must be there to control scammers and to make the investors capital secure.

## VIII. CONCLUSIONS

- The study concludes that investment is must irrespective of class of society. With Saving and smart investment one can cope up with increasing needs, living standards, and rising inflation and gain financial stability in future.
- A good rule of thumb when investing in a new product is to only invest money that you are willing to lose, so that it's not financially devastating if the investment doesn't pan out. One way to spread risk is to diversify your investments. Don't put all of your eggs in one basket. That way, if one of your investments loses money, the other investments can make up for it.
- It's good to be ambitious but not over ambitious. So be an investor and try to avoid being a speculator.
- Regarding Digital investment in cryptocurrency and NFT, more study must be conducted to make it more secure may be by adding regulatory body, so that the investor can invest without fear of any scam.

**REFERENCES**

- [1.] Federico Carlini. (2022). Banks, FinTech and stock returns, *Finance Research Letters*, Volume 45, 2022, 102252, ISSN 1544-6123, <https://doi.org/10.1016/j.frl.2021.102252>. (<https://www.sciencedirect.com/science/article/pii/S1544612321002348>)
- [2.] Madan Panwar (2018). A Study on investment options available in modern era. ISSN : 2454-132X. [www.ijariit.com](http://www.ijariit.com), [https://www.academia.edu/37684003/A\\_study\\_on\\_investment\\_options\\_available\\_in\\_the\\_modern\\_era](https://www.academia.edu/37684003/A_study_on_investment_options_available_in_the_modern_era)
- [3.] <https://www.sec.gov/investor/pubs/sec-guide-to-savings-and-investing.pdf>
- [4.] <https://online.maryville.edu/blog/cryptocurrency-vs-stocks/>
- [5.] Agarkar, Shilpa Naresh. “Bitcoin: An Innovative Alternative Digital Currency: An Exploratory Study.” (2018). <https://www.semanticscholar.org/paper/Bitcoin-%3A-An-Innovative-Alternative-Digital-%3A-An-Agarkar/f8033aa61cdb98b19c239242372f5aacaedbb8d6#paper-header>
- [6.] <https://cryptopotato.com/how-to-buy-and-sell-your-first-nft-on-opensea-a-step-by-step-guide/>
- [7.] <https://www.forbes.com/advisor/investing/cryptocurrency/how-to-buy-cryptocurrency/>
- [8.] [https://app.intotheblock.com/insights/nft?group=general-activity&chart=total\\_volume\\_traded\\_by\\_nfts](https://app.intotheblock.com/insights/nft?group=general-activity&chart=total_volume_traded_by_nfts)
- [9.] Agarkar, Shilpa Naresh. “Success of Remote Learning Pedagogy during and Post-Covid-19 Pandemic” *Benchmarking Quality Enhance Initiatives through innovative Practices* (Jan 2021) ISBN – 978-93-84855-22-2 (Page 13-18)
- [10.] <https://cryptopotato.com/how-to-buy-and-sell-your-first-nft-on-opensea-a-step-by-step-guide/>
- [11.] <https://www.nerdwallet.com/article/investing/the-best-investments-right-now>
- [12.] <https://www.finra.org/investors/learn-to-invest/types-investments/initial-coin-offerings-and-cryptocurrencies>
- [13.] <https://www.sec.gov/investor/pubs/sec-guide-to-savings-and-investing.pdf>
- [14.] Agarkar, Shilpa Naresh. “Blockchain Technology – Ensure the Trust of Covid-19 Vaccine from Inception to Injection “(March 2021), *Pratibha International Journal Of Science, Spirituality, Business And Technology IJSSBT* ISSN: Print 2277-7261, Online: 2278-3857 (Page 52-56)