

INVESTMENT MEANING NATURE AND SCOPE




Meaning


Investment can be defined in different aspects. These are:

Generally, investment is the application of money for earning more money. Investment also means savings or savings made through delayed consumption.

In Finance, the purchase of a financial product or other item of value with an expectation of favorable future returns. the practice of investment refers to the buying of a financial product or any valued item with an anticipation that positive returns will be received in the future.

In Business, the purchase by a producer of a physical good, such as durable equipment or inventory, in the hope of improving future business.



- ▶ According to economics, investment is the utilization of resources in order to increase income or production output in the future. An amount deposited into a bank or machinery that is purchased in anticipation of earning income in the long run are both examples of investments.
- 

What is Investing?

- ▶ Purchase of assets with the goal of increasing future income
- ▶ Focuses on wealth accumulation
- ▶ Appropriate for long-term goals



- ▶ Investment is defined as a sacrifice made now to obtain a return later. It is current consumption that is sacrificed.
 - ▶ Two forms of investment can be defined
 - *Real investment* is the purchase of land, machinery, etc.
 - *Financial investment* is the purchase of a "paper" contract
- 