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Return on Investment: A Comparative Statement of Real Estate and Gold

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Abstract

The articles highlight the return volatility, return on investment of goal, and real estate in India. Returns on investment of gold and real estate are determined through generalized autoregressive conditional heteroscedasticity dynamic conditional correlation. The global financial and monetary market has been diverted through economic cruises that have made the monetary market highly volatile. Diversification of investment into various instruments such as gold and real estate leads to the investment opportunity to the financial and monetary market. Significant amounts of investors in India are affected by the volatility in the return of gold and investment. A financial market investment has been shifted away from gold and real estate. By the year 2021, India's real estate will reach US$ 180 billion. The housing sector in India is considered to be 11% of India's GDP. Gold and real estate have a major contribution to the total investment of the Indian market.

Keywords: Return on investment, goal, real estate, volatility, and financial investment.

1. Introduction

Investing in any element depends on the amount of return provided through it. Investment performed on real estate or gold is a contrasting discussion. The net profit or loss could be determined through a ratio that can be acknowledged through return on investment (ROI). ROI has some limitations like the cost of investment, net profit, and time required. The majority of the people are observed to be confused about investing in both elements (gold and real estate) having different benefits and disadvantages (Chambers et al. 2021). Investing in real estate has some advantages including efficient returns of post-tax, high liquidity, high potential to earn relatively, capital gain with long-term capital, etc. Picking of stocks is quite difficult for investing in real estate and in short term the risk of volatility is high. Investing in gold could be observed to have multiple benefits including easy investment, effectiveness in getting loans, etc. The present article is based on the comparative analysis of return on investment for real estate and gold.

2. Significance/ Purpose of Study

According to Park et al. (2020), the current article plays a significant role in comparative analysis on return on investment in real estate and gold. The present article is effective in providing information related to return on investment and its limitations. The main purpose of investing is to get maximum return in less time and avoid the deposition of tax. Physical investment is easy with the ROI on gold while investing in real estate depends on low volatility and improvement of graduals. The current

article describes different elements like the benefits of ROI on two specific elements like gold and real estate.

3. Objective of the study

Fulfillment of present article based on the following objectives:

- To analyze of benefits of investing in gold and real estate
- To compare the return on investment and its advantages for gold and real estate
- To found the limitations of investing in gold and real estate
- To determine the effects of different parameters on investing in gold and real estate

4. Methodology

Comparative analysis of ROI of gold and real estate has been developed with this article. The quality of the article depends on the selection of different methodologies including research philosophy, approach, design, data collection, analysis, and its implementation. The current article is based on the selection of positivism research philosophy that provides information like collection, analysis, and implementation. Grinchenko and Shchapova (2020) stated that the descriptive design has been selected for the conduction of the present article as it provides valid information like real phenomena, scenarios, etc. The collection of irrelevant data could be avoided through the application of deductive research. The quality and reliability of the paper could be increased with the selection of appropriate methodology.

5. Sampling design

Selection of data from the sample could be possible with sampling design as it helps in avoiding the chance of biases. As per Marler and Rishnapillai (2019), sampling is a method that helps in collecting information from a selected population. The current article is based on the analysis of ROI for gold and real estate is based on the type of data collected. Information in the form of statistical data or theories is completed with probability sampling. Selection of data sources could be completed with an equal chance of selection with random sampling techniques. Simple random sampling is adopted to select the required data source that could provide a quality conclusion of the article.

6. Data collection Techniques

The validity of theories is improvised with the way and sources of data collected with different methods. The method required for the collection of data, its analysis, and its implementation depends on the type of data collected. Data could be collected for different techniques including observations, interviews, questionnaires, etc. Comparative analysis for the ROI in real estate and gold is completed with secondary data collection. The collection of secondary data could be possible through different primary sources including published journals, interviews, articles, websites, WebPages, etc. The probability of used metrics could be investigated with the collection of data for the effects of investment on ROI (Tariq et al. 2018). Collected data could be analyzed to avoid the collection of irrelevant data with two specific analysis methods. Qualitative analysis of collected data is effective

in avoiding irrelevant data present in the form of textual data. The quantitative analysis is selected for the analyses of collected information in the form of statically form.

7. Results of the data table

7.1 Comparative effects on the ROI on investment in gold and real estate

Serial Number	Affected Parameters	Investment in gold	Investment in real estate
1.	Entry barriers	Required high amount for initiation	Required an appreciable quantity for start
2.	Risk	Medium	Medium
3.	Liquidity	High	Medium to low
4.	Return income through the investment	No income	Could provide a regular income through rent
5.	Selling ease	No	High risk
6.	Maintenance cost	Medium to high	High

Table 1: Affected parameters for the ROI in gold and real estate
(Source: Salisu et al. 2021)

7.2 Market value for the investment on gold and real estate

Affected Elements	Rate of transparency for real estate
Office	33.2 Billion USD
Retail	19.2 Billion USD
Commercial	42.6 Billion USD
Residential	32.4 Billion USD

Table 2: Effects of transparency rate for the investment on real estate
(Source: Mangialardo et al. 2019, Page no.32)

8. Graphical Representation

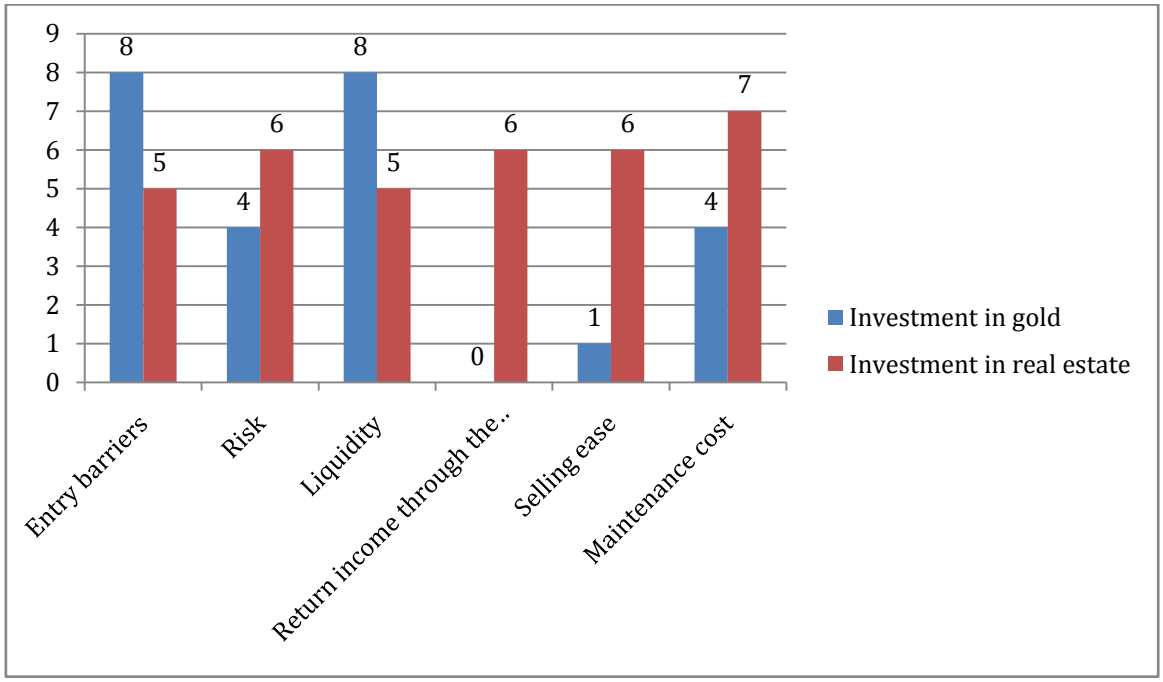

Figure 1: Graphical representation of comparative analysis of ROI in gold and real estate

(Source: Created by Author)

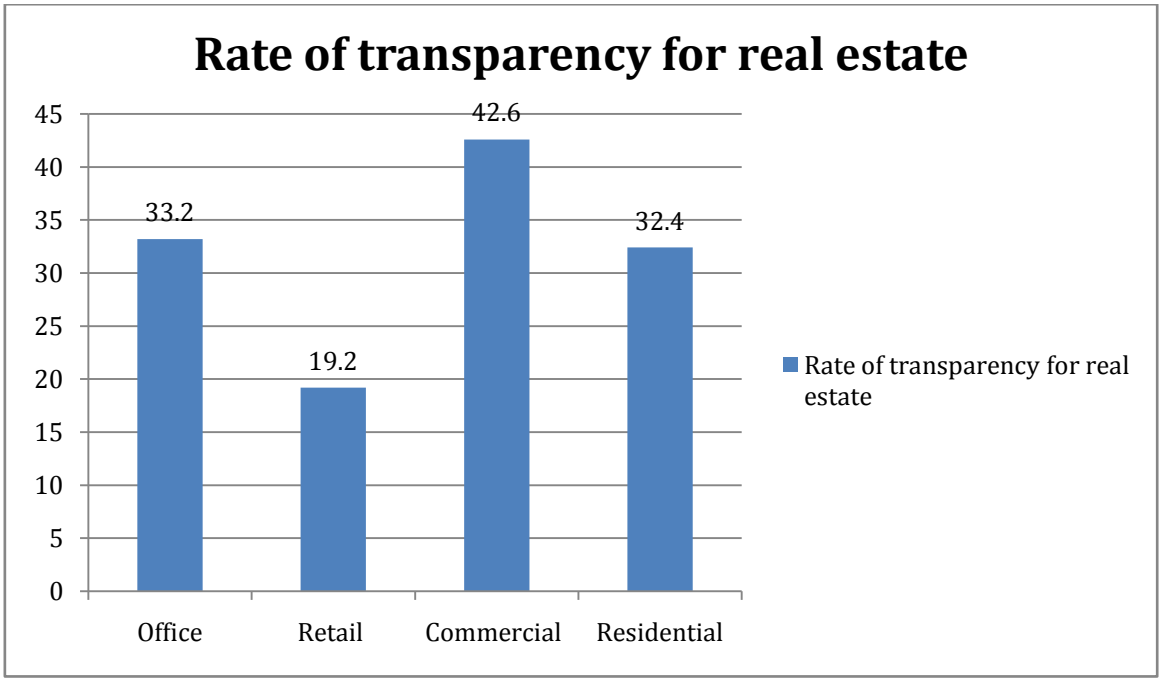

Figure 2: Graphical representation of Effects of transparency rate for the investment on real estate

(Source: Created by Author)

9. Analysis of the data

The current article provides information like a comparative analysis of ROI in real estate and gold. Analyzing the collected information provides information that the risk of investment is high for investing on both elements and the rate of transparency is low for gold while it's high for real estate as illustrated in table 1. Investment in real estate provides a high return through rents while investing in gold could not be achieved through gold. The high risk of maintenance for the ROI in gold and real estate is one of the most common discussions among investors. Return for the investment done in the gold is one of the secure ways that have high liquidity. The risk of diversifying with the gold investment helps in the reduction of tax submission and could be used for long term benefits. Analyzing table 2 could be done with the rate of transparency for different elements such as office, retail, commercial, and residential are 33.2, 19.2, 42.6, and 32.4 billion USD investments performed (Yen et al. 2018).

The framework is built on the foundations of context, scope, and purpose. Understanding the TVET setting is necessary for developing a return on investment (ROI) assessment framework. Variations in TVET systems and ROI methods further complicate an aggregated cost-benefit analysis (OECD 2008). It is context-specific and has an impact on how TVET costs and benefits are defined and calculated. As a result, the results of any ROI analysis are usually relative and limited to a certain setting. There are various tiers of stakeholders, including individuals, businesses, and economies, in terms of scope. There are various elements of ROI within each of these several layers of stakeholders. ROI's economic, social, and environmental indicators are among them. This measurement remains realistic and focused by defining a particular declaration of scope. The social rewards to businesses from workplace literacy training, for example, are precise and unambiguous). Implementing a Return on Investment Framework requires clarity of goal. This helps to keep the focus and specify the parameters. ROI has been utilised in studies for a variety of reasons. Business improvement, such as supporting new technology and boosting labour productivity, workplace health and safety, and finance agreements are just a few examples.

To calculate ROI, TVET research studies use a variety of models. Measurement of economic and social impact is part of these models (SROI). Different models are appropriate for different scenarios and may be better suited to certain sorts of data. The choice of a ROI model, as well as an evaluative or forecasting perspective, will be influenced by the decision to include economic and social rewards. The best fit model allows for personalization, adds value, and measures characteristics that are important and unique. ROI measures include several layers and dimensions. Each stakeholder has their own set of requirements. There are both economic and social elements to consider. Although the economic impact is more easily assessed, the social impact is what completes the ROI picture. The results show that understanding the social ramifications of training is critical because it provides a true value of training that is often overlooked in TVET research (due to difficulty in measuring).

10. Findings of the study and Results

Analyzing the collected data and theories for the article could be effective in providing information like the rate of return. The main purpose of investing in different elements is to achieve maxim benefits or returns in less time. Comparative analysis of investment performed in gold and real estate shows a high risk of transparency for both. Investment in real estate is quite risky yet the benefit is it provides return through rent. The rate of maintenance of real estate is a bit expensive while it

provides multiple benefits. The gold investment could be done for personal use and had lots of security risks associated with it. Real estate investment could be completed for multiple purposes like construction of offices, houses, etc for commercial and personal purposes.

11. Discussion

Analyzing the entire article and the collected data provides information like the comparison between investment in gold and real estate. Investing in any element depends on the amount and time is required to provide the ROI. Proper knowledge of the rate of profit could be illustrated with the bottom line and the efficiency of investment. Proper calculation of ROI is required for the different options of investment performed at an annual rate. Table 1 was analyzed to provide information for different affected parameters such as risk, transparency rate, cost of maintenance, return income through the investment, etc.Many studies look at the economic impact on individuals. Improved employability and better production are the two key training influences (Independent Economics 2013). However, there are benefits to training that are not tied to jobs, such as increased self-confidence, well-being, and engagement. The aim of the individual influences the ROI measurement outcome, with motivations for training ranging from promotion, vocational/higher education pathway, and personal development. Productivity gains and efficiency are widely used to evaluate the training outcomes of organisations and employers. Non-productivity returns are also generated through employee well-being, work habits, and organisational culture. Beyond productivity, there are a variety of motivations to invest in TVET training, including legislation and licencing requirements, the introduction of new technology, and other business advantages.

Direct costs are easier to calculate. These costs differ from person to person. Financial costs may vary depending on the course, the provider, and whether or not a concession is available, such as subsidies or student vouchers. Industry and field of study requirements may need the procurement of additional equipment, supplies, and protective clothes. These tuition charges are covered by your company as an employee. Cost data at the business level, on the other hand, may be difficult to come by. Indirect and intangible costs are more difficult to quantify and capture. Older students, for example, may need to pay for daycare or give up work for a period of time and bear the loss of income. Employers also pay the price of having insufficiently skilled employees who aren't entirely proficient at their jobs, as well as missed time when employees are through training and greater responsibilities while they're away. It's also possible that intangible expenses are difficult to quantify in monetary terms. The timing of data collection for training costs has an impact on the eventual return on investment.

12. Conclusion

Concluded summary of the current article provides information that investing in any elements required proper knowledge for its associated effects. The required time, cost, and benefits for the investment in gold and real estate provide information for the associated benefits and risk. Investing in real estate provides return through rent or commercial use while investing on gold does not provide such return.

13. Recommendations/ Suggestions

The development of the present paper could be completed with the fulfillment of provided recommendation. Following are the important recommendations that are required to be maintained for the current article:

- The investment could be done with proper investigation and knowing the terms and conditions of the ROI
- The present knowledge gap could be fulfilled with the comparative analysis with mutual funds which is the most common in present time
- The current article could be effective in providing information related to the development of further study for researchers and scholars

14. Reference

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