

A PROJECT REPORT ON
A STUDY ON INDIAN STOCK MARKET

FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
AWARD OF THE DEGREE OF

“BACHELOR OF BUSINESS ADMINISTRATION”

FROM GALGOTIAS UNIVERSITY GREATER NOIDA UP

.BATCH: 2018-21

SUBMITTED BY:-

Shivam Kumar Pandey (18GSOB1010348)

BBA Batch-02

Sem-06

SUBMITTED TO:-

Mr. Dharmendra Kumar



GALGOTIAS
UNIVERSITY

CERTIFICATE

This is to certify that the project report on “A Study Of Working Capital Management Of Large Company” been prepared by Mr.Shivam Kumar Pandey student of BBA , Batch 2018-21 from Galgotias University, Greater Noida, has successfully completed his project under my supervision and guidance.The project report is submitted towards the partial fulfillment of 3rd year, full time Bachelor of Business Administration.

Name and signature of Faculty

(Mr. Dharmendra Kumar)

ACKNOWLEDGEMENT

I wish to show my sincere gratitude to all those who made this study possible. First of all, I am thankful to the helpful staff and the faculty of Galgotias university Greater Noida. I would like to extend my sincere thanks to my Mentor Mr. Dharmendra Kumar, for his untiring cooperation. One of the most important tasks in every good study is its critical evaluation and feedback which was performed by my faculty guide. I am very thankful to my faculty for investing his precious time to discuss and criticize this study and explained the meaning of different concepts and how to think when it comes to problem discussions and theoretical discussions. My sincere thanks go to my Institute and family, who supported and encouraged me.

DECLARATION

I Shivam Kumar Pandey (18GSOB1010348) student of BBA of School of Business , Galgotias university , Greater noida , hereby declare that the project report on “A STUDY OF INDIAN STOCK MARKET” is an original and authenticated work done by me.I further declare that it has not been submitted elsewhere.

RESEARCHER

Shivam Kumar Pandey

TABLE OF CONTENT

Chapter	Page No.
CHAPTER 1 - INTRODUCTION	4-15
1.1 General	4-5
1.2 Financial Market	5-7
1.3 Types	7-9
1.4 Stock Exchange	9-11
1.5 Check Value	12-13
1.6 Stock Market Index	13-15
CHAPTER 2 – ANALYSIS AND INTERPRETATION	16-23
2.1 Introduction	16-17
2.2 How it work	17-19
2.3 Analysis Questionnaire	19-23
CHAPTER 3 – RESEARCH DESIGN AND METHODOLOGY	24-25
3.1 Introduction	24
3.2 Design	24
3.3 Research Approaches	25
CHAPTER 4 – CONCLUSIONS AND RECOMMENDATION	25-26
4.1 Conclusion and Recommendation	26

INTRODUCTION

INDIA'S STOCK MARKET

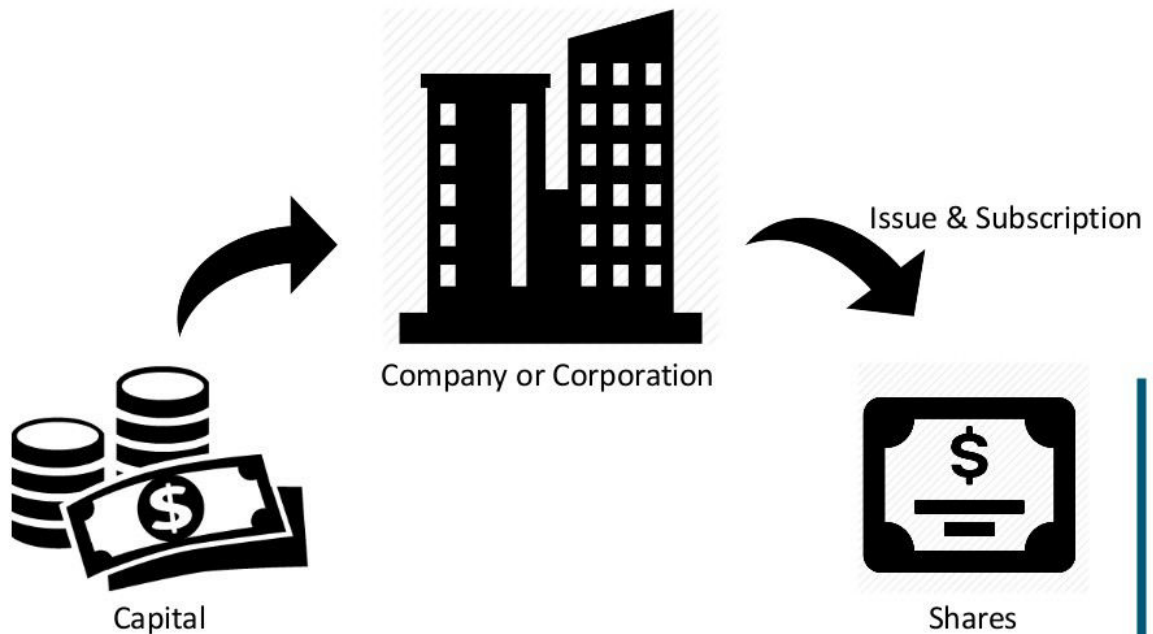
A stock market, equity market or share market is the aggregation of buyers and sellers of stocks, which represent ownership claims on businesses; these may include securities listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowdfunding platforms. Investment in the stock market is most often done via stock brokerages and electronic trading platforms. Investment is usually made with an investment strategy in mind.

The above definition is universal how ever my experience says, People take risk in a exchange of profit in business it says higher risk is equivalent to higher profit but taking risk and making into profit is all depends upon you analysis and studies. The more you invest in anything more it will give you back but not always what you predict goes correct sometime uncertainty occurs people goes from top to negative. Its all matters on your prediction and analysis.

People invest huge amount in stock market and make losses, and on other hand people invest amount and comes out with huge profit. Stock market fascinates us but we should also know that it require huge investment of time and money. There are many company related stock market brokers who invest on your behalf by charging minimum amount those companies have proper team to analysis every stocks which can give their customers can make good profit.

Once new securities have been sold in the primary market, they are traded in the secondary market—where one investor buys shares from another investor at the prevailing market price or at whatever price both the buyer and seller agree upon. The secondary market or the stock exchanges are regulated by the regulatory authority. In India, the secondary and primary markets are governed by the Security and Exchange Board of India

Stocks



What Are Financial Markets?

Financial markets refer broadly to any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others. Financial markets are vital to the smooth operation of capitalist economies.

Financial markets play a vital role in facilitating the smooth operation of capitalist economies by allocating resources and creating liquidity for businesses and entrepreneurs. The markets make it easy for buyers and sellers to trade their financial holdings. Financial markets create securities products that provide a return for those who have excess funds (Investors/lenders) and make these funds available to those who need additional money (borrowers).

The stock market is just one type of financial market. Financial markets are made by buying and selling numerous types of financial instruments including equities, bonds, currencies, and derivatives. Financial markets rely heavily on informational transparency to ensure that the markets set prices that are efficient and appropriate. The market prices of securities may not be indicative of their intrinsic value because of macroeconomic forces like taxes.

Types of Financial Markets

1. Stock Markets
2. Over-the-Counter Markets
3. Bond Markets
4. Money Markets
5. Derivatives Markets
6. Forex Market
7. Commodities Markets
8. Cryptocurrency Markets

MARKET INSTRUMENTS



भारतीय प्रौद्योगिकी संस्थान दिल्ली
Indian Institute of Technology Delhi
Department of Management Studies



INDIAN STOCK EXCHANGES

List of Indian stock exchange may refer to one of the 9 official operating stock exchanges in India as listed by SEBI or the numerous defunct ones.

Bombay Stock Exchange (BSE)

BSE is an Indian stock exchange located at Dalal Street, Mumbai and operates with a vision of to “Emerge as the premier Indian stock exchange with best-in-class global practice in technology, products innovation, and customer service.”



National Stock Exchange (NSE)

NSE is one of the youngest stock exchanges of India which came into the picture in the year 1992 and operates with a vision, "To continue to be a leader, establish a global presence, and facilitate the financial well-being of people."

Calcutta Stock Exchange (CSE)

CSE is a regional stock exchange (RSE) located at the Lyons Range, Kolkata and is the second oldest stock exchange in South East Asia.

Metropolitan Stock Exchange (MSE)

The Exchange was notified as a "Recognized Stock Exchange" under the Companies Act by the Ministry of Corporate Affairs on December 21, 2012.

India International Exchange (India INX)

Opened in January 2017, India INX is India's first international stock exchange.

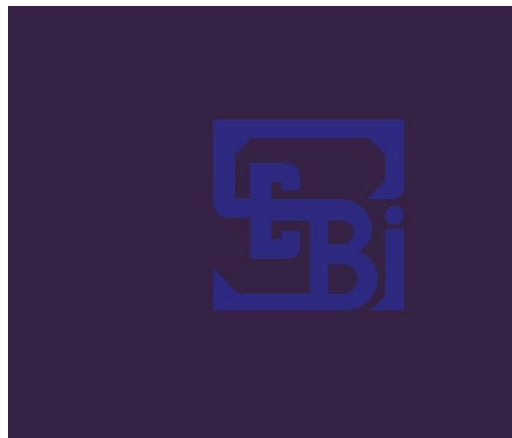
It is a wholly-owned subsidiary of the Bombay Stock Exchange (BSE) and is located at the International Financial Services Centre (IFSC), GIFT City in Gujarat.

NSE IFSC Ltd.

NSE IFSC Limited (NSE International Exchange) incorporated on 29th November 2016, is a wholly owned subsidiary of the National Stock Exchange (NSE) and is located at the International Financial Services Centre (IFSC), GIFT City in Gujarat.



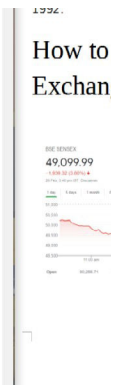
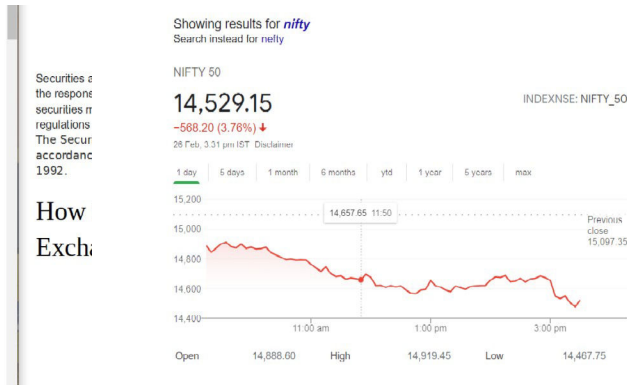
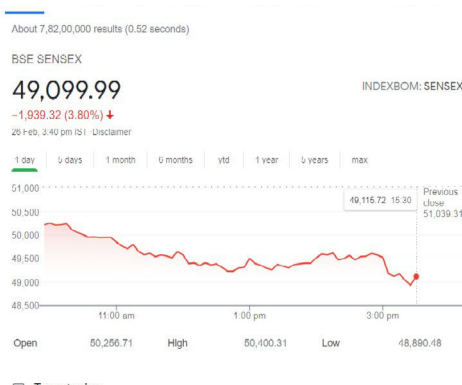
SEBI



Securities and Exchange Board of India (SEBI) is a statutory regulatory body entrusted with the responsibility to regulate the Indian capital markets. It monitors and regulates the securities market and protects the interests of the investors by enforcing certain rules and regulations

The Securities and Exchange Board of India was established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.

How to check the value of Shares in Stock Exchange



Chart



SENSEX is an indicator to checkout in BSE

NIFTY is an indicator to checkout in NSE

Charts: Candlestick



Charts: Head & Shoulders

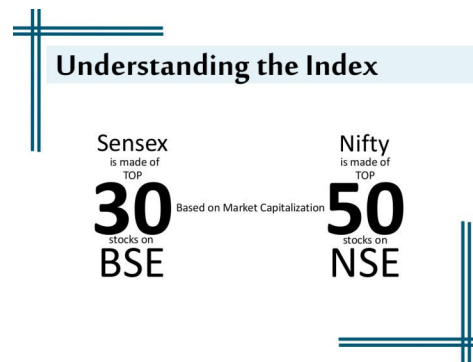


Stock Market Index

Index is a tool which measures changes it helps investors compare current price levels with past prices to calculate market performance.

Value of the grouped Stocks = Collective Value of Index

any change in the value of these group of stocks changes the value of the index



ANALYSIS AND INTERPRETATION

INTRODUCTION

Analysis of data is the ordering of data into constituent parts in order to obtain answers to the research questions.

The first step in data analysis will depend on the amount of specified hypothesis the researcher have. In such a study the analysis is almost a mechanical procedure.

Analysis consists of organization data in a particular manner. Then it is the interpretation idea that governs this task. Without interpretation coming into play the task of analysis will not be complete. Interpretation is the research operation, which is geared to exposing or bringing to light the broader meaning of the research findings or conclusions by linking them to other available knowledge or established theories and principles. It helps to understand what the given research findings really mean.

It can be descriptive or analytical or it can be from a theoretical standpoint. Negative results are much harder to interpret than positive results. Interpretation consists of the fact that methodology, the measurement and the analysis are satisfactory.

How Does the Stock Market Work in India

The stock market is an avenue where investors trade in shares, bonds, and derivatives. This trading is facilitated by stock exchanges, which can be thought of as markets that connect buyers and sellers. Four participants are involved in the trading of shares in the Indian stock market.

1. Securities and Exchange Board of India (SEBI): SEBI is the regulator of stock markets in India and ensures that securities markets in India work in order. SEBI lays down regulatory frameworks where exchanges, companies, brokerages, and other participants have to abide by to protect investors' interests.
2. Stock exchanges: The stock market is an avenue where investors trade in shares, bonds, and derivatives. This trading is facilitated by stock exchanges. In India, there are two primary stock exchanges on which companies are listed.
3. Stock brokers/brokerages: A broker is an intermediary (person or a firm) that executes buy and sell orders for investors in return of a fee or a commission.
4. Investors and traders: Stocks are units of a company's market value. Investors are individuals who purchase stocks to become part owners in the company. Trading involves buying or selling this equity. To understand how the share market works, the next thing is to learn about primary and secondary markets

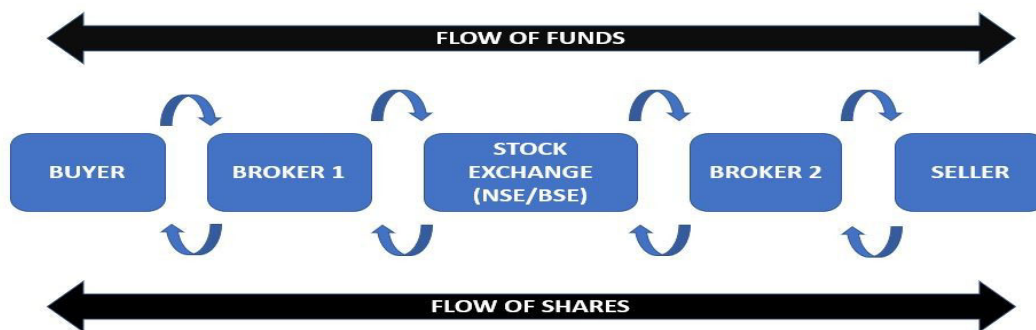
Trading in the Stock Market

Once listed on the stock exchanges, the stocks issued by companies can be traded in the secondary market to make profits or cut losses. This buying and selling of stocks listed on the exchanges are done by stockbrokers /brokerage firms, that act as the middleman between investors and the stock exchange.

Your broker passes on your buy order for shares to the stock exchange. The stock exchange searches for a sell order for the same share.

Once a seller and a buyer are found and fixed, a price is agreed to finalize the transaction. Post that the stock exchange communicates to your broker that your order has been confirmed.

This message is then passed on to you by the broker.



Pricing of Shares in the Stock Market

The key to making money in the stock market is to learn how to properly value a company and its share price in the context of the Indian economy and the firm's operating sector.

Let me explain to you how stocks are priced through a simple example.

Let's say you bought a notebook for ₹100. The next day, a friend of yours offered you to sell it for ₹150 to him.

So, what's the price of the notebook then?

It is from ₹150. You can encash ₹150 by selling the notebook to him.

But you choose to reject his offer hoping that your other friends may bid more than ₹150.

The very next day 3 of your friends offer you ₹200, ₹250 and ₹300 for the notebook respectively.

Now, what's the price of the notebook?

It's ₹300 as this is the highest bid for your notebook. You now know that your possession is valuable and decide to reject the current offers, hoping for a higher bid tomorrow. However, the next day, a fellow student brings a better quality notebook to school with shinier pages.

Your friends are now attracted to this notebook more than yours and this leads to a dip in the value of your notebook. Now only a handful of people are willing to pay for your notebook and that too at the last quoted price i.e ₹300.

This is exactly how demand and supply affect the price of a share in the stock market.

When the students were optimistic and ready to pay higher cash than its current price, the price appreciated. When a lesser number of students wanted your notebook, the price fell down.

Analysis Of Questionnaire

Question 1 : In the parlance of economy/commerce, what is “gilt-edged” market?

- a) Gold and silver market
- b) Industrial securities market
- c) Market for safe (such as government) securities
- d) Market for software technology/ service products

Answer : c

Question 2 : Is there any difference between currency forwards and futures markets?

- a) No, both deal with future delivery of foreign exchange
- b) No, both markets can be availed of through the internet
- c) Yes, only a limited number of currencies are traded in the futures market and that also in standardized amounts.
- d) No, if one agrees on the date of delivery and brokerage, it is immaterial which of the markets one is talking of

Answer : c

Question 3 : In India, mergers and acquisition of firms are regulated by

- a) National Manufacturing Competitiveness Council
- b) Competition Commission of India
- c) Security and Exchange Board of India
- d) Department of Industrial Policy and Promotion

Answer : b

Question 4 : A rise in “Sensex” means

- a) A rise in prices of shares of all companies registered with the Bombay Stock Exchange
- b) An overall rise in prices of shares of all companies registered with the National Stock Exchange
- c) An overall rise in prices of shares of group of companies registered with the Bombay Stock Exchange
- d) A rise in prices of shares of all companies belonging to a group of companies registered with the Bombay Stock Exchange

Answer : c

Question 5 : Which one of the following statements is not correct?

- a) The National Association of Securities Dealers Automated Quotations, known as NASDAQ, is an American stock exchange.
- b) Nikkei is the stock market of index for the Tokyo Stock Exchange
- c) S&P CNX Nifty is the index of 50 large companies on the Bombay Stock Exchange

d) Hang Seng Indexes record daily changes of the largest companies of the Hong Kong Stock Market

Answer : c

Question 6 : Debenture holders of a company are its

- a) Owners
- b) Creditors
- c) Debtors
- d) Directors

Answer : b

Question 7 : Consider the following statements:

- 1.Sensex is based on 50 of the most important stocks available on the Bombay Stock Exchange(BSE)
- 2.For calculating the Sensex, all the Sensex stocks are assigned proportional weightage
- 3.Sensex became operational in 1978-79 with the base value of 100

Which of the statements given above is/are correct?

- a) 2 only
- b) 1 and 3
- c) 2 and 3
- d) None of the above

Answer : c

Question 8 : Which of the following statements is/are correct?

- 1.Nifty is based on 50 companies in India
- 2.Nifty is governed and regulated by the Reserve Bank of India
- 3.Nifty deals with futures and options

Select the correct answer using the codes given below:

- a) 1 only

- b) 2 only
- c) 3 only
- d) 1 and 3

Answer : d

Question 9 : Consider the following statements about India INX:

- 1.India INX is India's first international exchange
- 2.It will work for 22 hours in a day, working from sunrise to sunset, i.e. starting when Japan exchanges begin and close when the US markets end
- 3.India INX is a wholly owned subsidiary of the Bombay Stock Exchange (NSE)

Which of the statements given above is/are correct?

- a) 1 and 3 only
- b) 1, 2 and 3
- c) 2 and 3 only
- d) 1 only

Answer : b

Question 10 : Which of the following are the core objectives of the Financial Stability and Development Council (FSDC):

- 1.Acts as an apex level forum to strengthen and institutionalize the mechanism for maintaining financial stability
- 2.Enhance inter-regulatory coordination and promoting financial sector development in the country

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer : c

RESEARCH DESIGN

INTRODUCTION

research design is the base on which researcher proceed toward the study of the problem after formulating hypothesis. It refers to the methodology used to conducting the research investigation. It is a process of making decisions before the situation arises in which the decision has to carried out. It is the blueprint of the detailed procedure of testing the hypothesis and analysis of the obtained data.

A research design in simple words is a plan of action, a plan for collecting and analyzing data in an economic, efficient and relevant manner.

The purpose of preparing research design could be either to test the hypothesis or to give a cause effect relationship to the given situation. A research design is the arrangement of conditions for collection and analysis data in a manner that aims to combine relevance to the research purpose with economy in procedure.

RESEACH DESIGN

The collection of essential information to prove their hypothesis is a significant and distinctive stage of research in any science. The sources of information are generally classified as primary data and secondary data.

METHOD USED

Secondary Data:

Where by the analysis relies on already existing data that may be either published or unpublished. This source of data is updated source of information.

Researcher has collect data from books and Internet websites.

CONCLUSION

Stock prices change according to supply and demand. There are many factors influencing prices, the most important being earnings. There is no consensus as to why stock prices

move the way they do. To buy stocks you can either use a brokerage or a dividend reinvestment plan (DRIP).