CAPITAL MARKET HDFC

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ABSTRACT

Stock markets are without any doubt, an integral and indispensable part of a country's economy. But the impact of stock markets on the country's economy can be different from how the other countries' stock markets affect their economies. This is because the impact of stock markets on the economy depends on various factors like the organization of stock exchanges, its relationship with other components of the financial system, the system of governance in the country etc. All of these factors are distinct for each country; therefore, the impact of stock markets on a country's economy is also distinct. Over the years, the indian capital market system has undergone major fundamental institutional changes which resulted in reduction in transaction costs, significant improvements in efficiency transparency and safety. All these changes have brought about the economic development of the economy through stock markets. In the same way, economic expansion fueled by technological changes, products and services innovation is expected to create a high demand for stock market development. The present paper is divided into two parts: in the first section, the evolution of international stock markets and the developments in indian stock markets are briefly reviewed to help us understand how stock markets have emerged as the driving economic forces that they are today; and the second part presents a number of studies that review the impact of financial development, stock market development and its functions and its possible impact on economic growth.

INTRODUCTION

Established in 1875, bse (formerly known as bombay stock exchange), is asia's first & the fastest stock exchange in world with the speed of 6 micro seconds and one of india's leading exchange groups. Over the past 143 years, bse has facilitated the growth of the indian corporate sector by providing it an efficient capital-raising platform. Popularly known as bse, the bourse was established as 'the native share & stock brokers' association 'in 1875. In 2017 bse become the 1st listed stock exchange of india.

Today bse provides an efficient and transparent market for trading in equity, currencies, debt instruments, derivatives, mutual funds. Bse sme is india's largest sme platform which has listed over 250 companies and continues to grow at a steady pace. Bse star mf is india's largest online mutual fund platform which process over 27 lakh transactions per month and adds almost 2 lakh new sips ever month. Bse bond, the transparent and efficient electronic book mechanism process for private placement of debt securities, is the market leader with more than rs 2.09 lakh crore of fund raising from 530 issuances. (f.y. 2017-2018).

Keeping in line with the vision of shri narendra modi, hon'be prime minister of india, bse has launched india

inx, india's 1st international exchange, located at gift city ifsc in ahmedabad.

NEED FOR THE STUDY

Stock market analysis enables investors to identify the intrinsic worth of a security even before investing in it. All stock market tips are formulated after thorough research by experts. Studying and evaluating past and current data helps investors and traders to gain an edge in the markets to make informed decisions.

RESEARCH METHODOLOGY

To study the investor's awareness about investment in stock market, a structured questionnaire was prepared. The questionnaire was distributed through personal contacts, and others. The questionnaires were distributed to various people and about 120 resposeswere gathered on the same study.

Free-float methodology is a method of calculating the market capitalization of a stock marketindex's underlying companies. Using this methodology, the market capitalization of acompany is calculated by taking the equity's price and multiplying it by the number of sharesreadily available in the market.

Research design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This research design applied for the study is "descriptive research"

Descriptive research design

Descriptive research aims to accurately and systematically describe population, situation orphenomenon. It can answer what, where, when and how questions, but not why questions. A descriptive research design can use a wide variety of research variety of research methods to investigate one or more variables.

Sources of data

Sources of data begins with figuring out what sort of data is needed, followed by the collectonof a sample from a certain section of the population. Next, you have to utilize a certain tool to gather the data from the chosen sammple. The two types of sources are

LIMITATIONS OF THE STUDY

The important limitations of the study include

- Study is not free from limitations. Some of the limitations of the study are as follows;

- Lack of uniformity and control of stock exchanges.

- Failure to control unhealthy speculation. Allowing more than one exchange in a place.

- No proper regulation on the listing of securities.

REVIEW OF LITERATURE

Gupta (1972) in his book has studied the working of stock exchanges in india and has given a number of suggestions to improve its working. The study highlights the' need to regulate the volume of speculation so as to serve the needs of liquidity and price continuity. It suggests the enlistment of corporate securities in more than one stock exchange at the same time to improve liquidity. The study also wishes the cost of issues to be low, in order to protect small investors

Panda (1980) has studied the role of stock exchanges in india before and after independence. The study reveals that listed stocks covered four-fifths of the joint stock sector companies. Investment in securities was no longer the monopoly of any particular class or of a small group of people. It attracted the attention of a large number of small and middle class individuals. It was observed that a large proportion of savings went in the first instance into purchase of securities already issued.

Gupta (1981) in an extensive study titled `return on new equity issues' states that the investment performance of new issues of equity shares, especially those of new companies, deserves separate analysis. The factor significantly influencing the rate of return on new issues to the original buyers is the `fixed price' at which they are issued. The return on equities includes dividends and capital appreciation. This study presents sound estimates of rates of return on equities, and examines the variability of such returns over time.

Jawahar lal (1992) presents a profile of indian investors and evaluates their investment decisions. He made an effort to study their familiarity with, and comprehension of financial information, and the extent to which this is put to use. The information that the companies provide generally fails to meet the needs of a variety of individual investors and there is a general impression that the company's annual report and other statements are not well received by them.

L.c.gupta (1992) revealed the findings of his study that there is existence of wild speculation in the indian stock market. The over speculative character of the indian stock market is reflected in extremely high concentration of the market activity in a handful of shares to the neglect of the remaining shares and absolutely high trading velocities of the speculative counters. He opined that, short- term speculation, if excessive, could

lead to "artificial price". An artificial price is one which is not justified by prospective earnings, dividends, financial strength and assets or which is brought about by speculators through rumors, manipulations, etc. He concluded that such artificial prices are bound to crash sometime or other as history has repeated and proved.

Nabhi kumar jain (1992) specified certain tips for buying shares for holding and also for selling shares. He advised the investors to buy shares of a growing company of a growing industry. Buy shares by diversifying in a number of growth companies operating in a different but equally fast growing sector of the economy. He suggested selling the shares the moment company has or almost reached the peak of its growth. Also, sell the shares the moment you realize you have made a mistake in the initial selection of the shares. The only option to decide when to buy and sell high priced shares is to identify the individual merit or demerit of each of the shares in the portfolio and arrive at a decision.

Pyare lal singh (1993) in the study titled, indian capital market - a functional analysis, depicts the primary market as a perennial source of supply of funds. It mobilizes the savings from the different sectors of the economy like households, public and private corporate sectors. The number of investors increased from 20 lakhs in 1980 to 150 lakhs in 1990 (7. 5 times). In financing of the project costs of the companies with different sources of financing, the contribution of the securities has risen from 35.01% in 1981 to 52.94% in 1989. In the total volume of the securities issued, the contribution of debentures / bonds in recent years has increased significantly from 16. 21% to 30.14%.

Sunil damodar (1993) evaluated the 'derivatives' especially the 'futures' as a tool for short-term risk control. He opined that derivatives have become an indispensable tool for finance managers whose prime objective is to manage or reduce the risk inherent in their portfolios. He disclosed that the over-riding feature of 'financial futures' in risk management is that these instruments tend to be most valuable when risk control is needed for a short- term, i.e., for a year or less. They tend to be cheapest and easily available for protecting against or benefiting from short term price. Their low execution costs also make them very suitable for frequent and short term trading to manage risk, more effectively.

R.venkataramani (l994) disclosed the uses and dangers of derivatives. The derivative products can lead us to a dangerous position if its full implications are not clearly understood. Being off balance sheet in nature, more and more derivative products are traded than the cash market products and they suffer heavily due to their sensitive nature. He brought to the notice of the investors the 'over the counter product' (otc) which are traded across the counters of a bank. Otc products (e.g. Options and futures) are tailor made for the particular need of a customer and serve as a perfect hedge. He emphasized the use of futures as an instrument of hedge, for it is of low cost.

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DATA ANALYSIS AND INTERPRETATION

Data analysis

Customer satisfactions is the best indicator of how likely customer will make a purchase in the future. Asking customers to rate their satisfaction on a sacle basis is a a good way to see if they will become repeat customers. Ongoing satisfaction leads to loyalty and repurchase. This chapter makes an analysis of customer satisfaction of stock exchange / stock market.

The data collected through structed questionnaire from 100 samples are analyzed carefully and interpretations are made accordingly.

For this purpose the methods of percentage analysis and chi square test are applied. Diagrams such as simple bar diagram, pie chart, and other charts were employed for presenting the data.
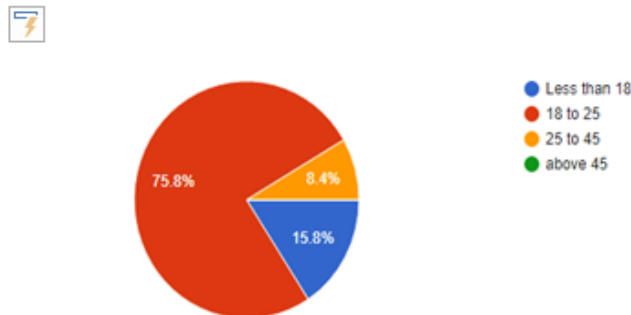
TABLE 4.1
CLASSIFICATION ON THE BASIS OF AGE

AGE	NO OF RESPONDENTS	PERCENTAGE
Below 18	15	15%
18 – 25	75	75%
25 – 45	8	8%
Above 45	2	2%

Source : primary data
Interpretation

In this chat we can observe that 75.8% respondents are between ages 18 to 25 years. 15.6% of the respondents are below 18 years. 8.2% of respondents are between 25 to 45, therefore most of the respondents age group are between from 18 to 25 years.

FIGURE 4.1

CLASSIFICATION ON THE BASIS OF AGE

Inference:

Majority 75.8% of the respondents of my questionnaire belong to the age group 18 - 15.
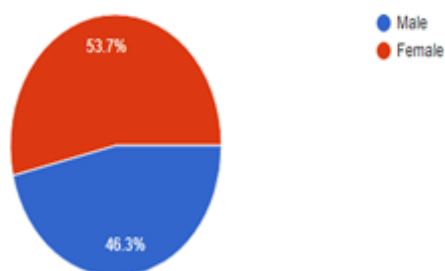
TABLE 4.2
GENDER WISE CLASSIFICATION

Gender	No of respondents	Percentage
Male	46	46%
Female	53	53%

Source : primary data

Interpretation

From this chart we can observe that 46.9% are the male respondents and 46.3% are female respondents.

FIGURE 4.2

GENDER WISE CLASSIFICATION

Inference:

Majority 53.7% of the respondents of my questionnaire are female.

TABLE 4.3

OCCUPATION OF RESPONDENTS

Occupation	No of respondents	Percentage
Student	71	71%
Self - employed	23	23%
Business	7	7%
Unemployed	1	1%

Source : primary data

Interpretation

The above table shows that the largest group belongs to student with 71%. The major respondents of my questionnaire who are aware of share market are student. The second sector sector of occupation represents the others with 23%, 7%, 1% respondents are self -employed, business professional and unemployment.

FIGURE 4.3

OCCUPATION OF THE RESPONDENTS
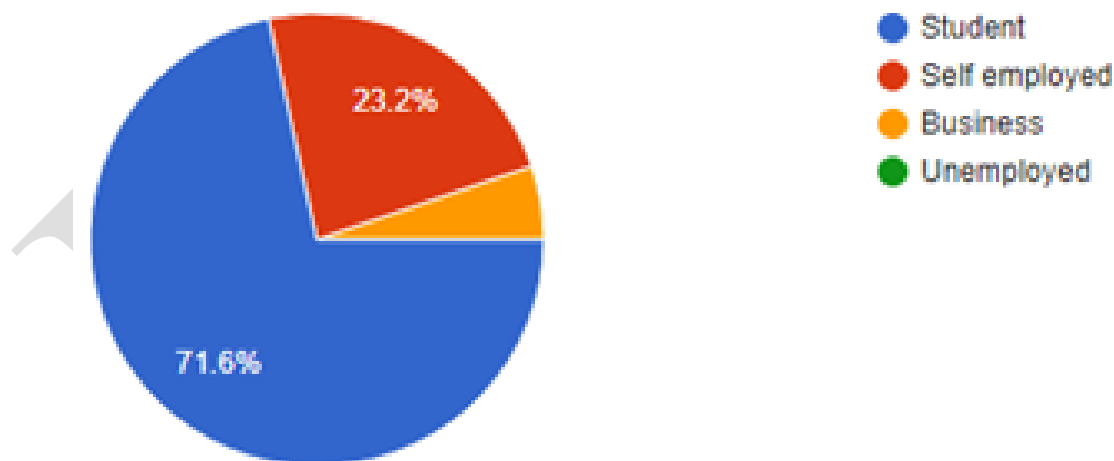
Inference :

Majority 71.6% of respondents are students.

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FINDINGS, SUGGESTIONS AND CONCLUSION

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FINDINGS OF THE STUDY:-

- It reveals that the majority of the participants were female who contributed in research of this study.

- It is clear that the largest group belongs to the students.

- It shows that 76% of the participants were well aware about share market / stock exchange.

- This study shows that the knowledge gained on share market is majorly through television or internet.

- The majority of the participants prefer online mode of training instead offline mode of trading.

- It was found that the headquaters is situated in kolkata.

- Sebi is the financial body for making intermediaries and companies to make digital payments from.

- In this study we learnt that one can invest into stock exchange more than four times in a week.

- Bombay stock exchange is situated in bombay, dalal street.

- We found that many in the population prefer investing in share market all because of it being safe option.

SUGGESTIONS AND RECOMMENDS:-

1. Select companies with strong fundamentals.

2. Avoid succumbing to emotional investment decisions.

3. Know which sectors to invest.

4. Remember stocks with low prices are not always profitable.

5.   Select a trusted and reliable stockbroker.

6.   Select specific companies

7.   Set goals before investing.

CONCLUSION:-

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Every investment is inherently connected with risk. Its existence and diversity among various types of investments is one of the driving forces behind the development of the capital market. The risk has also caused emergence and development of alternative investments. Flourishment of this segment of the market has also been influenced by periodical financial crises, which have been the driving force behind the search for investments that would allow investment portfolio diversification and would provide opportunities for profiting, even during price declines on the market. Alternative investments constitute an effective tool for risk diversification, however, they are not suitable for all investors. Institutional investors, including the banks, pension funds, large companies as well as individual investors within the wealth management sector, constitute a dominant group of the investors on the alternative investments market. Investors considering such investments should rely on their own preferences regarding the acceptable risk as well as on the entities acting as the trustees of the investors 'assets. Often, it is the experience gained during management of own alternative investment portfolio, which allows verification and assessment of the acceptable level of the risk, definition of the maximum loss tolerance, and designation of achievable financial targets. A stock exchange is an exchange where traders and stock brokers buy and sell shares of stock, bonds and other securities. It also offers facilities for issue and redemption of securities and other financial instruments. Stock issued by listed companies and unit trusts, bonds and pooled investment products can be traded on a stock exchange. A stock exchange functions as a 'continuous auction' market where transactions are conducted between the buyers and sellers.

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