Sharekhan
Your guide to the financial jungle

CERTIFICATE

This is to certify that **Mr. Chandan H S** (REG. NO 1AZ16MBA18) MBA Student from Acharya Institute of Technology. Soldevanahalli, Bangalore, He has successfully completed his Internship And project training titled **"Risk and return analysis on selected 07 stocks in Nifty Index"** in our company "sharekhan securities private limited" from January 15th 2018 to march 24th 2018.

We have noticed that, during the period, he has shown keen interest in his assignments and was also regular in attendence, We wish all the best for his future Endeavour's.

For sharekhan securities ltd.

SHAREKHAN
9th B Main LIG 1st PHZ,
Yelahanka, Bangalore-560064

Santhosh K H

Sub – Broker

Sharekhan securities ltd

Date:02/04/2018

place; Bangalore

ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 26/05/2018

CERTIFICATE

This is to certify that **Mr. Chandana H S** bearing **USN 1AZ16MBA18** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on **"A Study on Risk and Return Analysis on Selected 07 Stocks in Nifty Index"** at **Sharekhan Securities Ltd Bangalore** is prepared by him under the guidance of **Dr. Virupaksha Goud G,** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Signature of Internal Guide

Signature of HOD
Head of the Department
Department of MBA
Acharya Institute of Technology
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Signature of Principal
PRINCIPAL
ACHARYA INSTITUTE OF TECHNOLOGY
Soldevanahalli Bangalore-560 107

DECLARATION

I, CHANDAN H S, hereby declare that the Project report entitled ''A study on risk and return analysis of selected 07 stocks in nifty index'' with reference to "Sharekhan securities ltd. Bangalore " prepared by me under the guidance of DR Virupaksha Goud, faculty of M.B.A Department, Acharya Institute of Technology, Bangalore and external assistance by Mr Santhosh k h, Sub Broker, Sharekhan securities ltd.

I also declare that this Project work is towards the partial fulfilment of the University regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of Ten weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place:

Date:

Signature of the student

ACKNOWLEDGEMENT

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Executive Summary

The project was undertaken at Sharekhan private limited. It deals with investment advisory and brokerage services. They provide the most comprehensive investment advisory services for the full range of capital market products. The objective of in plant training is to enable a better understanding of working in the organization and to develop a comparative approach between the theory and practical application.

The study has been undertaken on the topic of "A study on risk and return analysis of top 07 stocks in nifty index" the main objective of the study is to analys and predetermination stock risk and return .

The project program is an important part of the educational curriculum. An project is a pre-professional experience that provides an opportunity to gain relevant knowledge and skills prior to starting out in a particular career field. project exposes students to the problems and challenges faced by organizations in their day-to-day business. It helps them to understand the business operations being performed by the companies. The students can get a more clear understanding of the theoretical knowledge gained through education when they observe these concepts being practiced by individuals in the organization. This project was taken up as a part of the requirement of Master of Business Administration course per the requirements of VTU.

The project report covers company profile, industry profile, theoretical background of the study, data analysis and interpretation, and provides recommendations based on the findings and the conclusion. It also contains the financial statements of the company.

CHAPTER:1

1.1 INTRODUCTION:

The topic **A study on risk and return analysis of selected 07 stocks in nifty index** has been selected because of lot of investors are building investments in shares of different companies of nifty index apart from other index. And the 07 companies are selected because they are the key drivers and they provide more weight for the progress of nifty index.

Before 1990s the principle territory speculation was bank demand, gold, property and such different types of extensive resources. In any case, for recent years we are seeing part of ventures openings coming up as essential and supplementary advertising since the globalization, which had its investigation amid 1990's outside capital streaming it India, new multinational enter the market and a great deal of speculation openings were interested in the general population who kept their keep funds in banks and different sorts of settled resources.

The investors have to be aware of the risks involved in making investments. So the Investors have to compute the beta and correlation co-efficient to know the current condition of the stock its relation with market index and do the stocks are capable to generate returns for their investments.

The importance of risk-return relationship is advocate from both investors and firms . Evaluate the relationship between expected rate of return and the risk of asset would help investors to make enhanced and more accurate decision on investing in different industries. To this reason, the evaluation has audited the risk return relationship and strategies for estimating, hypotheses and experimental review to build up an execution measures complementary distinctive industry parts. The empirical evidences were discussed within the scope of market risks and returns. At that point, the hypotheses and open up writing recognized with Capital Asset Pricing Model (CAPM) was investigated to demonstrate the connection between expected return and efficient risk.Treynor Index, Sharpe Index, and Jansen Index as performance measures were extract from CAPM model and the correlation were discussed between them. As of result, the review projected a risk return build respects to grow better execution measures for industry parts.

Topic chosen for the study:

"A study on risk and return analysis at. Sharekhan securities LTD Of top 07 stocks in nifty index**"**

1.2 INDUSTRY PROFILE:

Financial services

Proficient administrations including the speculation, loaning, and management of cash and resource. Budgetary administrations are the monetary administrations given by the subsidize business, back organizations, stock financiers, speculation assets and some legislature supported associations.

Services of investment banks

- **Capital Market services**- underwriting debt and equity, assist company deal (consultative services, underwriting, mergers and acquisition and optional fees), and reorganize arrears into prearranged finance products.
- **Personal banking –** high income earning individuals are provided exclusive services by private banks. All monetary services organisation must need an individual to meet the criteria for private banking services,
- **Brokeraging services** – Serving the purchase and sales of financial products among buyers and sellers. In present period investment bankers, stock brokerage, brokerages to self trading investors all through the world. with the choice of trading on online platforms offered by a banking institution .

Investment Services

- **Investment managing** – Term frequently known to explain companies which carry on collective investment fund. other services registered under the securities and exchange commission. Customer investment is the main source of capital here.
- **Hedge finance management** – hedge fund s frequently use the services of major brokerage segments at major investment banks to carry out their trade..
- **Protection services** – this is basically safe keeping , maintaining and processing of the world securities .total amount of assets in the world is around US$ 100 trillion.

Brokerage Firms

Brokeraging company is a firm which serves buying and selling of financial assets or securities linking buyer and seller. Brokeraging company facilitates a customers of investors who buy or sell public stocks or other securities the members of this kind of firms are trusted with the duty of market research to provide proper recommendation., Selected customers are also offered secondary loans to buy investments on credit on the basis of company terms.

Stock Brokers & Sub Brokers

The main role of the stock broker is to help the clients in secondary market to buy or sell the securities to clients Sub broker is the person who works for the main broker but he is not directly registered with the stock exchange .but the functions of a sub broker and stock brokers are similar to each other

.

Portfolio   Managers

Port folio manager means the person registered with securities exchange who is accordance with law with customers ,directors or undertakes on behalf of them it may be discreet o otherwise or in other words portfolio manager is who exercises under a contact relating to portfolio management ,the level of discretion may be on the degree of investment or the management of portfolio

Bombay Stock Exchange (BSE)

In Asia, Bombay stock trade is the most established one. BSE had established in 1875, over past 140years, BSE was facilitated the development of the Indian corporate part by raising platform with proficient capital. BSE provides an proficient and clear exchange market in equity, debts instruments, derivatives and mutual funds. It has a stage to trade in equities of small and medium enterprises (SME).

More than five thousand five hundred organizations are recorded in BSE and making it world's main trade as far as recorded organizations. They additionally give a large group of their administrations to capital market members who incorporate hazard administration, clearing, settlement, market information service and instruction.

in 2000, BSE utilized the file to open its subsidiary market and began exchanging SENSEX future contracts. The improvement of SENSEX alternatives alongside equity derivatives followed in 2001 and 2002, growing its exchanging stage.

National Stock Exchange (NSE)

The National stock exchange came into existence on 1992 of November. it was recognized in 1993 of April.The national stock exchange has expanded its exchanging activities from June 1994, when the entire deal obligation advertise fragment was done live. Around the same time November 1994, the capital market portion of the stock trade adversaries survive VSAT.

NSE introduced NSCCL in April 1995 and it became the first to introduce it in clearing corporation.

List of Top 10 Brokerage Firms in India

Rank	Name of the Firm
01	Indiabulls
02	Sharekhan Limited
03	Angel Brokering Limited
04	Reliance Money
05	Kotak Securities Limited
06	Indian Infoline Services
07	HDFC Securities
08	ICICI Direct
09	Bajaj Capital
10	Aditya Birla

1.3 COMPANY PROFILE

Company History

Sharekhan is one of the well performing brokerage firm of SSKI Groups (Sherpa Sewaklal Kantilal Ishwarlal). Sharekhan was running effectively since 1922 in India. Sharekhan has eight decades i.e. 80 years of experience in stock brokering business. Sharekhan provides many services to its customers like NSE, BSE, Equity Trade, Derivatives and Depository Services etc.

Sharekhan launched the online trading entrance and investment site on 8th February 2000. This site gives transaction facility to retail customers across India. The service facilities of investor's friendly language and good quality research have helped them to attract their customers . Currently there are way more than 10 lc trading members. 2% of customers trade online on daily basis. Sharekhan alone trades 32% on behalf of its customers.

The objective of launching online portal was to create awareness in among the customers in making their investment decision in various alternative.

On 17th of April 2002 sharekhan launched Speed Trade account, internet based application, which provide in order applicable to Day Traders. Furthermore, this was the primary application in view of net-based exchanging station which was offered to the merchants. Crosswise over India, sharekhan has 60 institutional customers, Far East, UK and US. 60% of the income created from remote institutional financial specialists, with a day by day turnover of US dollar of 2 million.

About company: Sharekhan limited

Sharekhan limited now operates as a subsidiary of BNP paribas SA, And the retail arm of the SSKI group offer world class facilities for buying and selling of shares in NSE and BSE, derivatives (F and O) and nearly all significantly investment guidance by 85 existence of study and brokering practice. Customers are free to use all its services at any of their branches through out India of 1200 around 400 cities, among them 32 are fully owned branches and even through internet using their real time online trading terminals.

COMPANY DETAILS

Company Name	Sharekhan limited
Headquarters of Sharekhan	Sharekhan SSKI-206 phoenix house, phoenix mills compound lower parel, Mumbai Maharashtra, INDIA-41922
Year of Establishment	1930
Nature of Sharekhan	Service provider
Services offered	Depository services, Online services and Technical research
Number of Workers	Above 4800 in india
PH No	1800-227500, 39707500
Website	WWW.Sharekhan.com
Slogan	You're Guide TO Financial Jungle
Company Logo	

Sharekhan has tie ups with the following banks

1. Axis Bank
2. HDFC
3. City Bank
4. Union Bank
5. IDBI
6. IndusInd Bank
7. ICICI Bank

1.3.1) PROMOTERS OF SHAREKHAN LIMITED.

Shripal Morakhia : Founder of Sharekhan

Jaideep arora : CEO of Sharekhan

Shankar Vailaya : Director (operations)

JaideepArora : Director

1.3.2) VISION, MISSION AND QUALITY POLICY OF SHAREKHAN

Vision

To be the best retail expediting brand in the retail business of securities exchange, to connect the investors with advice and superior service to help him tale better investment decisions. We believe that our growth depends on client satisfaction. For sharekhan customer education is of center agenda. They provide following facilities to improve their customer's knowledge.

1. Seminars \ Workshop.
2. First Step Seminars for New investors.
3. Portfolio clinics for HNIs.
4. Seminars for traders on various trading strategies.
5. Seminar on equity investment strategies.

Mission

1. To Give guidelines to investors for making better investment.
2. To provide the best customer service and innovative product.
3. Up-gradation with changing technology.
4. To achieving international standards.
5. Build principled practices.

Quality policy

1. Providing effective and efficient services.
2. Timely Auditing of customer services.
3. Increase the value of shareholders.
4. Team work success.

1.3.3 PRODUCTS AND SERVICES PROVIDED BY SHAREKHAN LMITED

1. Equity trading.
2. Derivatives trading.
3. Online services .
4. Share shops.
5. Portfolio management.
6. Fundamental research.
7. Dial-N-Trade.

8. Technical research.
9. Currencies and Commodities Trading.
10. Depository services.

1.3.4) AREAS OF OPERATION:

1. Trading account .
2. Demat account.
3. Dial and Trade: For query related trading.
4. Bank account: For Fund Transfer

1.4) COMPETITORS OF SHAREKHAN LTD.

1. Angel Brokering.
2. Kotak Securities limited.
3. Indian Bulls Securities.
4. Geojit BNP Paribas limited.
5. ICICI Direct Securities.
6. Indian Info Line Services.
7. Bajaj Capital.
8. Karvy Stock Brokering Limited.
9. MotilalOswal Financial Securities.
10. AnandRathi Securities Limited.
11. Religare Securities Limited.
12. SBI Capital.
13. Reliance Money.
14. HDFC Securities Limited.

Customers of Sharekhan:

1. Business Men.
2. High income people.
3. Women (literate and working)
4. Private and Government Employees.
5. HUF.
6. Young Generation: Age of 20 to 30.
7. Adults: Age of 30 to 40.
8. Retired Persons.

1.5) SWOT ANALYSIS

Strength

1. Large customer base.
2. Online services as on form as offline trading services.
3. Online initial public offering (IPO)
4. Share shops.
5. In-house research house.
6. Excellent order execution speed and reliability.
7. Good image and strong Background.
8. Transparent.
9. User friendly and together up with 10 banks.
10. Strong communication network.
11. Timely research based advice to the clients.

Weaknesses

1. Less awareness among the customers.
2. Penetration limited to urban areas.
3. Lack of focus on customer retention,

Opportunities

1. People see more investment opportunities and High purchasing power.
2. Increasing in the rural market.
3. Earning urban youth.
4. Emerging new technology .

Threats

1. Powerfully promotional strategies in all close competitors like India bulls, Angel Brokering,
2. Stock market has much volatile, risk involved is high
3. New emerging competitors.
4. Price war with other companies.
5. Entry for foreign finance firm in Indian market.

1.6 FUTURE GROWTH AND PROSPECTS

- To understand the long-term debt.

- It wants to be the global leader in the field of Stock Market.

- It aims to meet new heights in terms of customer service with its new business

strategies.

1.7 FINANCIAL STATEMENT

IVP Standalone Balance Sheet (in Cr)

	31/03/2017	31/03/2016	31/03/2015	31/03/2014	31/03/2013
OWNER'S FUND					
Equity Share Capital	10.33	10.33	10.33	10.33	10.33
Reserves and Surplus	51.260	43.330	40.150	38.890	37.010
LOAN FUNDS					
Secured Loans	0.000	4.000	4.240	4.500	4.000
Total	**61.590**	**57.660**	**54.710**	**53.720**	**51.340**
USES OF FUNDS					
Gross Amount	30.00	41.01	37.88	37.951	36.70
Less : Revaluation Reserve	1.21	1.21	1.60	.1.65	1.69
Less : Accumulated Depreciation	14.06	26.20	22.82	22.22	21.10
Net Amount	14.73	13.60	13.46	14.09	13.90
Capital W-I-P	1.30	0.23	0.28	0.35	0.54
Investments	0.03	0.03	0.03	0.03	0.03
NET CURRENT ASSETS					
Current Assets, Loans & Advances	87.55	77.97	75.24	74.94	77.08
Less : Current Liabilities & Provisions	42.02	34.18	34.31	35.69	40.21
Total Net Current Assets	**45.54**	**43.80**	**40.94**	**39.25**	**36.87**
Total	**61.59**	**57.66**	**54.71**	**53.72**	**51.34**
NOTE					
Book Value of Unquoted Investments	0.02	0.02	0.03	0.03	0.03
Contingent Liabilities	15.32	12.62	12.75	12.29	10.76
No, of Equity Shares O/s (Lahks)	103.26	103.26	103.26	103.26	103.26

CHAPTER 2

CHAPTER 2; CONCEPTUAL BACKGROUND AND LITERATURE REVIEWS

2.1 THEORETICAL BACKGROUND OF THE STUDY ;

Return

Return is essential spurring power that drives venture. It refers to the reward for the activity of taking risk, Hence the evaluation of return is important to understand the profitability or the functioning of the firm.

There are two types of returns, those are:

1. **Current return**:-

The segment regularly strikes a chord when one is contemplating return is occasional income as isolated or premium produced by the venture. Current return is measured as the intermittent return in connection to the starting cost of the venture.

2.**Capital return**:-

The second imperative part of return is reflected in the value change called the capital return. It is basically the cost of thankfulness (or deterioration) partitioned by the starting cost of advantage.

Total return = capital return + current return

Risk

Chance alludes towards likelihood that the genuine result of a venture will concede from expected result. All the more particularly, most speculators are worried about the genuine result being not as much as the normal result. The more extensive scope of conceivable result is more noteworthy the risk. The different sorts of risks are

A: Systematic risk

Efficient hazard alludes to that bit of variety consequently brought about by components that influence the cost of all securities. The impact is methodical return makes the costs of all

individual securities move in same bearing. This hazard is as a matter of course and can't be controlled. Efficient hazard emerges because of taking after element:

1.Market risk

Variety in costs started off because of genuine social, political and monetary occasions is alluded to as market hazard. Showcase hazard emerges out of changes popular and supply weights in the market taking after the changing stream of news or desire.

2. Interest risk

By and large costs of securities tend to move contrarily with changes in the rate of intrigue. The market movement and financial specialists recognitions are impacted by the adjustments in the loan fees which thusly rely on upon nature of instruments, securities, stocks, and so forth.

3.Risk of purchasing power

This risk refers to the type of risk where the cash flows from an investment in future will not match value of the present purchasing power of money. The main reason behind this is inflation

4.Liquidation risk

The risk that comes with short term trading of stocks which may go wrong or opposite to the speculation of the brokers or traders. This sort of hazard is essential in some venture speculation choice yet it is talked about widely in speculation courses.

5.Foreign trade chance

Uncertainly this is the hazard related with potential changes in the remote trade estimation of money.

Unsystematic risk

Unsystematic hazard alludes to that segment of hazard that is brought on because of elements one of a kind or identified with a firm or an industry. Unsystematic hazard emerges because of taking after components:

1.Business risk

Business hazard can be inner and in addition outside. Inside hazard is brought about because of shameful item blend, non-accessibility of materials, nonattendance of vital administration, and so forth. Outer hazard emerges because of progress in working conditions, change in business laws, universal economic situations, and so forth.

2.Financial risk

Monetary hazard is related with capital structure of the organization. An organization with no obligation financing has no budgetary hazard. The degree of money related hazard relies on upon the use of the association's capital structure.

RELATIONSHIP BETWEEN RISK AND RETURN:

There is certain connection between the measure of risk assumed and the amount of returns expected. Greater the risk, the larger the expected returns and larger the chance of substantial loss. A rational investor would have some degree of risk aversion, he would expect the risk only if he adequately compensated for it.

The following figure shows relationship between the amount of risk assumed and amount of expected returns.
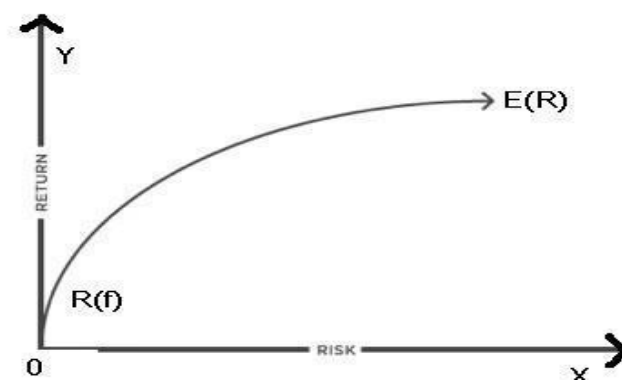
Risk is measured along x-axis and return along y-axis. Risk increases from left to right and return rises from bottom to top. The line 0 to R(f) indicates rate of return on risk less

investments. The diagonal curve from R(f) to E(r) illustrates the concept of expected rate of return increasing shows a linear relationship between risk and return.

The monetary division in India has experienced many changes, especially in the capital market Segment, since 1990s. The share price fluctuations in the market can affect the economy of the nation. A fluctuation occurs in the price level of stock because of changes in several factors, like economic, social and political.

A part from these factors information released by the corporate bodies causes volatile nature sin the share prices however the corporate announcement has considerable impact on the share price movements. Moreover the individual investors change their investment pattern depending upon the release of information by the corporate bodies. In other words the corporate announcements reflect wide variations in the share prices and investors behavioral pattern. This fact is brought into the companies regularly making significant announcement with positive and negative information which will reflect in their prices. When corporate announcement contain good news this stock prices go up, whereas announcements containing bad news push the stockS price down. Given this reality the investors can react positively or negatively depending upon whether it is positive or negative information. Hence the market reactions indicate that the known information is immediately discussed by all investors and it reflects in the share prices in stock market. The information that affects the prices of securities is strikes, lockouts, joint venture agreements, launching of the new products, financial reports include annual and quarterly releases, press releases, declaration of dividend including interim dividend, outcome of board of directors meeting, outcome of annual general meeting, right issues, bonus issues, allotment of equity shares including allotment of shares under employee stock option scheme, amalgamation, acquisition, buy back offer and sale of shares etc. Among these various corporate announcements giving information, some are likely to be having most significant impact on the share price fluctuation.

2.2 LITERATURE REVIEW

01) International Research Journal of Applied Finance,; The review utilizes a decision behavior model in which risk propensity and risk perception are placed between individual characteristics and risky decision-making behavior. This mediating effect does not take place in investment experience and risk propensity. In addition, risk perception acts as a partial mediator when investors form expected returns based on risk propensity. truction of portfolios.

02) Louis K. C. Chan, Jason Karceski and Josef Lakonishok (2008); The ability to identify which factors best capture systematic return co variation   is central to applications of multifactor pricing models. This paper uses a common data set to evaluate the performance of various proposed factors in capturing return co movements

03) Gerry McNamara and Philip Bromiley (2009   ); Examining the association between managerial assessments of risk and expected return using non-experimental data from specific commercial lending decisions, we found that risk-return associations depended on the measures used. However, with a return measure that accounted for the expected costs of riskier decisions, risk and return were negatively related.

04) YoavGanzach (2010); This article examines the relationship between judgments of risk and judgments of expected return of financial assets. It suggests that for unfamiliar assets, both risk and return judgments are derived from global preference toward the asset, whereas for familiar assets

05) Franco Modigliani and Leah Modigliani (2013); The explanation commonly offered for this trade-off between risk and return is that investors do not like risk, and therefore require compensation for uncertainty in form of a "risk premium". In fact, this explanation does not provide an operational basis for assessing risk,

06) Author: Anil Sharma (2012)   ; The purpose behind this paper is to organize and take supply of the flow condition of research on securities trade blend by assessing the open written work, to give quick and basic access to future researchers.

07)   Author: Tariq (2017);   The purpose of this paper is to examine the role of value-at-risk (VaR) in the cross-section of stock returns in the Indian stock market during the period 1999-2014. The paper follows the methodology of Bali and Cakici (2004) to investigate the relationship between VaR and stock returns

08) Author: Jaspal Singh (2015);   The purpose of this study is to examine the relevance of an accounting-based fundamental strategy in adding value to value stocks in Indian stock market

09)   Author: Anita Tripathi (2015)   ; This study concludes that some individual characteristics, such as risk preference, are transmitted to investment decision behavior through the mediating effects of risk propensity and risk perception, affecting investors' expected returns and construction of portfolios,.

10) Author:Saumya Ranjan (2012); The study points toward the need for more careful understanding of managerial definitions of risk and return, careful handling of leads and lags, and understanding risky decisions in their organizational and   market contexts. nal return variation in the presence of other market wide risk factors.

11)   Author: Saumya Ranjan Dash (2012) ;   This paper uses a common data set to evaluate the performance of various proposed factors in capturing return co movements. Factors associated with the market, size, past return, book-to-market, and dividend yield help to explain return .

12)   Author: Abdul Rahman (2010) ; study objective of the present audit is to describe the written work and to give the total index on securities trade blend and to separate the revelations and eventual outcomes of the surveys thought about for review..

13)   Author: Surrender S. Yadav (2010);   The motivation behind this paper is to survey the enlightening productivity of S&P CNX Nifty record choices in Indian securities advertise. The S&P CNX Nifty file is a main stock file of India, comprises of 50 most as often as possible exchanged securities recorded on NSE.

14) Author: Imlak Sheikh ; The study points toward the need for more careful understanding of managerial definitions of risk and return, careful handling of leads and lags, and understanding risky decisions in their organizational and market contexts. .

15) Author: Varun Dewar (2015); The reason for this paper is to look at the relative predictive abilities of current earnings (and its components) and cash flows for next period cash flows in case of Shariah-compliant companies in India. Index companies as its sample for a period of 10 years for conducting the analysis.

16) .PreetiSingh (1986); disclosed the basic rules for selecting the companies to invest in. sheopined that understanding and measuring return and risk is fundamental to the investment process. According to her, most investors are risk averse. To have a higher return the investor has to face greater risks.

17) David.L.Scott and William Edward (1990) ;   reviewed the important risks of owning common stocks and the ways to minimize these risks. They commented that the severity of financial risk depends on how heavily a business relies on debt.

18) Fredrick S Hiller ;   The evaluation of proposed investment is based on the amount of risk involved in it. This is concerned with the derivation of the type of explicit, well-defined, and comprehensive information that is essential for an accurate appraisal of a risky investment.

CHAPTER 3;

CHAPTER 3; RESEARCH DESING

3.1 STATEMENT OF THE PROBLEM

Measuring return enables financial specialists to survey how well they have done, and it has an influence in the estimation of future returns. Security examination is worked around the possibility that financial specialists are worried with two essential properties intrinsic in securities: the arrival that can be normal from holding a security and the risk on that arrival that is accomplished will be not as much as the risk that was normal. The basic role of this paper is to center upon return and exposure and how they are measured. Speculators need to expand anticipated that profits subjected would their flexibility for risk. Return is the persuade power and the rule compensate in the speculation procedure and it is the key technique accessible to speculators in looking at option venture.

3.2 NEED FOR THE STUDY:

The study of risk and return analysis will guide the investors to segment the portfolio of securities

Match up to diverse investment option in terms of risk and return.

To create inference on the amount of return one should anticipated from an investment is likely by analysing historical return exacting stock.

3.3 OBJECTIVES OF THE STUDY

- Measure definite and ordinary returns using beta and co-efficient correlation
- Learn the instability in contrast with market
- To identify risk levels of different stocks for investment decisions

Measuring risk and return analysis is a vast domain, which requires new techniques and continuous research to reduce, and hedge risk, so there is always scope to calculate risk and return for an investment.

3.4 SCOPE OF THE STUDY

Securities market in India is growing in a rapid phase, and returns to the investors has also been increases. Even higher returns than expected. But suddenly as the original nature of Indian stock market there are peak variations this means market is highly open to risk of speculators, insider information but hard earned money of investors is at risk so the scope of risk and return analysis is required

3.5 RESEARCH METHODOLGY

Collected the past stock price information from NSE.COM

2 Years of stock price collected according to every month average of 2016 and 2017 from januvary to December

1. Beta Interpretation
2. R or Coefficient of Correlation Interpretation
3. R Square or Coefficient of Determination Interpretation

Technique for collection of data

- **Secondary Data**

    Data required for the study is collected through the material published by the Stock Exchange of Mumbai and National Stock Exchange. The supplemented information gathered from websites of companies

3.6 LIMITATIONS TO THE STUDY:

- The study is restricted to only a small number of nifty index
- Risk cannot be calculated precisely as market conditions is always variable and doubtful
- Secondary data is mostly used for the study

SAMPLE OF THE STUDY;

The following companies are used for the analysis of risk and return

Sl.no	NAME	TYPE	INDUSTRY	NSE
1	ICICI BANK LIMITED	Public	Banking, Financial Services	ICICIBANK
2	HDFC BANK	Public	Banking, Financial Services	HDFCBANK
3	STATE BANK OF INDIA	Public	Banking, Financial services	SBIN
4	INDIAN TOBACCO COMPANY	Public	Conglomerate	ITC
5	TATA CONSULTANCY SERVICES	Public	IT Services, IT Consulting	TCS
6	AXIS BANK	Public	Banking, Financial services	AXISBANK
7	YES BANK	Public	Banking, Financial services	YES BANK

CHAPTER: 4

CHAPTER 4; ANALYSIS AND INTERPRETATION

Beta Interpretation

Beta is measure of uncertainty, or systematic risk, of a security or a portfolio in contrast with the market all in all. Beta is utilized as a part of the capital resource estimating model (CAPM), which computes the normal return of a benefit in view of its beta and expected market returns

The below table helps in analyzing the beta value and also help in interpreting beta value.

Beta Value	Interpretation	Risk
$\beta < 0$:	"If the movement of stock is in opposition to the market in a backwards relationship. As the market expands, the estimation of this stock is required to diminish. While this relationship hypothetically exists, few stocks have a negative beta".	**Less Riskier**
$\beta = 0$:	"The stock's profits are irrelevant to market moves"**.**	**Less Riskier**
$0 < \beta < 1$:	"The stock is relied upon to move more gradually than the market. On the off chance that the market rises, this stock ought to likewise rise yet not as definitely as the market; in like manner if the market falls, this stock is required to be more unpredictable than the market"	**Less Riskier**
$\beta = 1$:	"The stock ought to move in a way fundamentally the same as the market in general".	**Reasonably Riskier**
$\beta > 1$:	"The stock has turned out to be more unpredictable than the market. As the market rises, this stock ought to ascend at a higher rate. In like manner, a more serious misfortune is expected in the occasion the market falls".	**More Riskier**

R Square or Coefficient of Determination Interpretation

R-squared is a factual measure that speaks to the rate of a store or security's developments that can be clarified by developments in a benchmark list.

R-squared qualities extend from 0 to 1 and are ordinarily expressed as rates from 0 to 100%. A R-squared of 100% means all developments of a security are totally clarified by developments in the list. A high R-squared, in the vicinity of 85% and 100%, shows the store's execution designs have been in accordance with the list. A store with a low R-squared, at 70% or less, shows the security does not act much like the file. A higher R-squared esteem demonstrates a more helpful beta figure.

R or Coefficient of Correlation Interpretation

"A correlation coefficient is a number that evaluates some kind of relationship and reliance, which means factual connections between at least two arbitrary factors or watched information values"

The values of r is interpreted as follows:

- **Exactly –1.** A perfect downhill (negative) linear relationship
- **–0.70.** A strong downhill (negative) linear relationship
- **–0.50.** A moderate downhill (negative) relationship
- **–0.30.** A weak downhill (negative) linear relationship
- **0.** No linear relationship
- **+0.30.** A weak uphill (positive) linear relationship
- **+0.50.** A moderate uphill (positive) relationship
- **+0.70.** A strong uphill (positive) linear relationship
- **Exactly +1.** A perfect uphill (positive) linear relationship

TABLE SHOWING TOP 10 COMPANIES IN NIFTY INDEX:

The following companies are used for the analysis of risk and return

Sl.no	NAME	TYPE	INDUSTRY	NSE
1	ICICI BANK LIMITED	Public	Banking, Financial Services	ICICIBANK
2	HDFC BANK	Public	Banking, Financial Services	HDFCBANK
3	STATE BANK OF INDIA	Public	Banking, Financial services	SBIN
4	INDIAN TOBACCO COMPANY	Public	Conglomerate	ITC
5	TATA CONSULTANCY SERVICES	Public	IT Services, IT Consulting	TCS
6	AXIS BANK	Public	Banking, Financial services	AXISBANK
7	YES BANK	Public	Banking, Financial services	YES BANK

1.1.A : ICICI BANK LIMITED

NAME	TYPE	INDUSTRY	NSE
ICICI BANK	Public	Banking, Financial services	ICICIBANK

A Table showing Risk and Return Analysis of ICICI Bank Ltd of year 2017

| Month | ICICI BANK | | NIFTY | | RETURNS | | | | |
	Open	Close	Open	Close	X	Y	X²	X*Y	Y²
Jan	262.64	262.79	8379.05	8386.2	0.0853	0.0571	0.00728	0.00487	0.00326
Feb	283.09	283.21	8819.47	8850	0.3457	0.0423	0.11951	0.01462	0.00179
Mar	277.89	276.67	9064.56	9060.3	-0.0467	-0.439	0.00218	0.0205	0.19272
Apr	278.43	278.53	9245.75	9233.1	-0.1367	0.0359	0.01869	0.00491	0.00129
May	303.42	304.16	9456.9	9463.5	0.0696	0.2439	0.00484	0.01698	0.05949
Jun	309.1	308.29	9261.42	9607	0.0373	-0.262	0.00139	0.00977	0.06864
Jul	299.19	298.15	9843.46	9850.1	0.0971	-0.348	0.00943	0.03375	0.12083
Aug	296.5	295.9	9921.34	9900.3	-0.0212	-0.202	0.00045	0.00428	0.04097
Sep	290.14	288.75	9994.19	9975.1	-0.1908	-0.479	0.0364	0.09141	0.22954
Oct	277.06	277.56	10136.8	10139	0.0187	0.1805	0.00035	0.00338	0.03258
Nov	315.35	315.65	10344.7	10329	-0.1479	0.0951	0.02187	-0.01407	0.00904
Dec	309.51	309.55	10325	10318	0.0707	0.0129	0.005	0.00091	0.00017
n = 12			TOTAL		0.1812	-1.0624	0.22739	0.09446	0.76031
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} \quad = \frac{12(0.09446) - (0.1812)(1.0624)}{[12(0.22739) - (.1812)^2]} \quad = 0.493$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} \quad = \quad \frac{12(0.09446) - (0.1812)(1.0624)}{\sqrt{(12(0.22739) - (0.1812)^2)(12(0.76031) - (1.0624)^2)}}$$

$$= 0.286$$

VARIANCE= 0.37

1.1.B A Graph representing Return of ICICI Bank Ltd with respected to Nifty Movement in year 2017
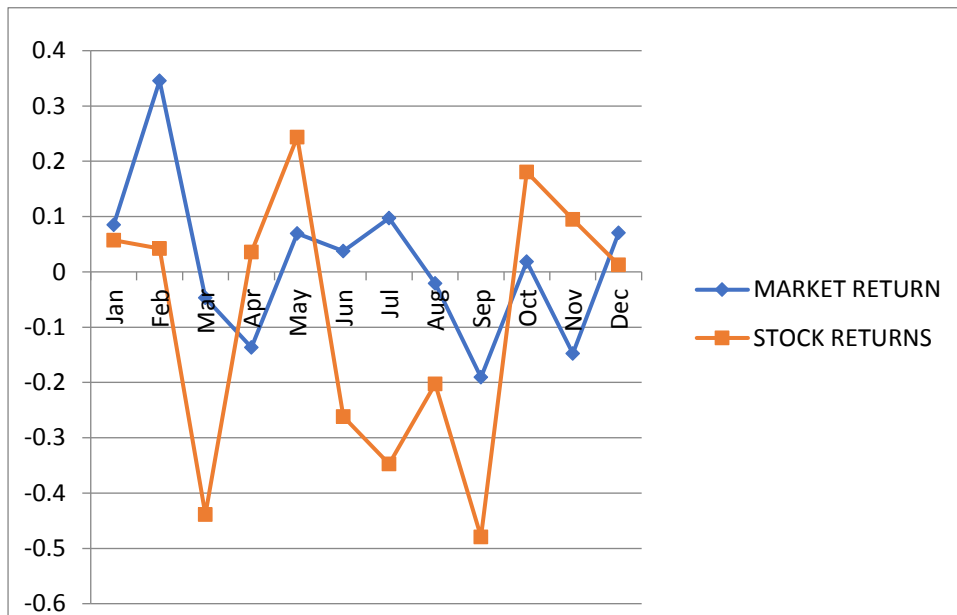
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.493** change in stock return. The stock moves slowly to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.286

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns

$r^2 = 0.08176$

From r^2, we can interpret that the stock acts **8.17%** to the change in index.

1.2.A   A Table showing Risk and Return Analysis of ICICI Bank Ltd of year 2016

	ICICI BANK		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	352.70	360.70	8272.80	8808.90	-0.0648	0.0227	0.0042	-0.0015	0.0005
Feb	360.30	346.15	8802.5	8901.85	0.0113	-0.0393	0.0001	-0.0004	0.0015
Mar	350.85	315.50	8953.85	8492.30	-0.0515	-0.1008	0.0027	0.0052	0.0102
Apr	315.00	331.15	8483.7	8181.50	-0.0356	0.0513	0.0013	-0.0018	0.0026
May	332.75	317.25	8230.05	8433.65	0.0247	-0.0466	0.0006	-0.0012	0.0022
Jun	317.00	308.00	8417.25	8368.50	-0.0058	-0.0284	0.0000	0.0002	0.0008
Jul	308.70	302.40	8376.25	8532.85	0.0187	-0.0204	0.0003	-0.0004	0.0004
Aug	304.45	277.90	8510.65	7971.30	-0.0634	-0.0872	0.0040	0.0055	0.0076
Sep	275.00	270.35	7907.95	7948.90	0.0052	-0.0169	0.0000	-0.0001	0.0003
Oct	273.45	277.00	7992.05	8065.80	0.0092	0.0130	0.0001	0.0001	0.0002
Nov	277.00	274.75	8054.55	7935.25	-0.0148	-0.0081	0.0002	0.0001	0.0001
Dec	275.05	261.35	7958.15	7946.35	-0.0015	-0.0498	0.0000	0.0001	0.0025
n = 12			TOTAL		-0.1683	-0.3105	0.0136	0.0058	0.0288
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0058) - (-0.1683)(-0.3105)}{[12(0.0136) - (-0.1683)^2]} = \mathbf{0.1319}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0058) - (-0.1683)(-0.3105)}{\sqrt{(12(0.0136) - (-0.1683)^2)(12(0.0288) - (-0.3105)^2)}} =$$

0.0969

1.2.B A Graph representing Return of ICICI Bank Ltd with respected to Nifty Movement in year 2016
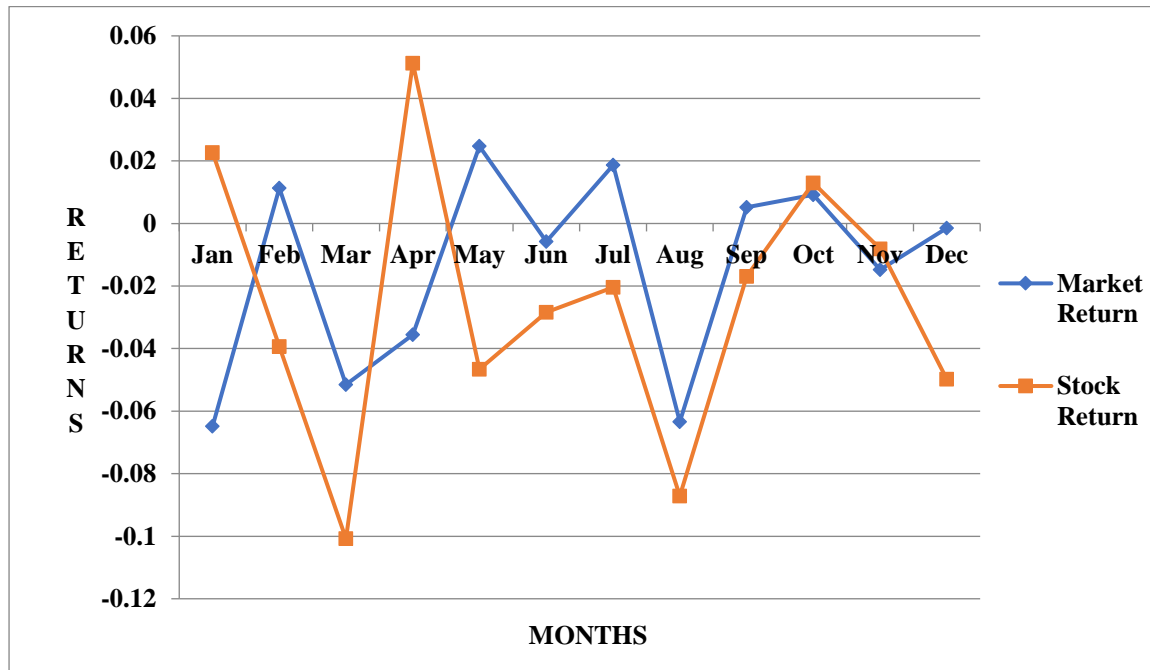
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.1319** change in stock return. The stock moves slowly to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.0969

From r-value we can interpret that there is weak linear relationship between market returns and stock returns

$$r^2 = 0.0093$$

From r^2, we can interpret that the stock acts **0.93%** to the change in index.

2.1.A HOUSING DEVELOMEN FINANCIAL CORPORATION BANK

NAME	TYPE	INDUSTRY	NSE
HDFC BANK	Public	Banking, Financial services	HDFCBANK

A Table showing Risk and Return Analysis of HDFC Bank Ltd of year 2017

	HDFC BANK		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	1233.4	1234.8	8379.05	8386.2	0.0853	0.1143	0.0073	0.00975	0.01306
Feb	1342.4	1341.8	8819.47	8849.96	0.3457	-0.0462	0.1195	-0.01597	0.00213
Mar	1412.2	1414.8	9064.56	9060.33	-0.0467	0.1869	0.0022	-0.00873	0.03493
Apr	1468.4	1473.8	9245.75	9233.11	-0.1367	0.3671	0.0187	-0.05018	0.13476
May	1564.1	1568.8	9456.9	9463.48	0.0696	0.2986	0.0048	0.02078	0.08916
Jun	1662.7	1664	9261.42	9606.95	0.0373	0.0776	0.0014	0.00289	0.00602
Jul	1697.7	1703.7	9843.46	9850.11	0.0971	0.3505	0.0094	0.03403	0.12285
Aug	1768.3	1768.3	9921.34	9900.34	-0.0212	-0.0006	0.0004	1.3E-05	3.6E-07
Sep	1806.8	1808	9994.19	9975.12	-0.1908	0.0675	0.0364	-0.01288	0.00456
Oct	1820.5	1821.2	10136.81	10138.7	0.0187	0.0363	0.0004	0.00068	0.00132
Nov	1833	1833.4	10344.72	10329.4	-0.1479	0.0229	0.0219	-0.00339	0.00052
Dec	1852.6	1850.4	10324.99	10317.7	0.0707	-0.1204	0.005	-0.00851	0.0145
n = 12			TOTAL		0.1812	1.3545	0.2274	-0.03151	0.4238
Summation Total					ΣX	ΣY	$ΣX^2$	ΣX*Y	$ΣY^2$

$$\beta = \frac{n\sum XY-(\sum X)(\sum Y)}{[n\sum X^2-(\sum X)^2]} = \frac{12(0.03151)-(0.1812)(1.3545)}{[12(0.2274)-(.1812)^2]} = \textbf{-0.2313}$$

$$r = \frac{n\sum XY-(\sum X)(\sum Y)}{\sqrt{(n\sum X^2-(\sum X)^2)(n\sum Y^2-(\sum Y)^2)}} = \frac{12(0.09446)-(0.1812)(1.0624)}{\sqrt{(12(0.22739)-(0.1812)^2)(12(0.76031)-(1.0624)^2)}}$$

= 0.211

SD =

2.1.B A Graph representing Return of HDFC Bank Ltd with respected to Nifty Movement in year 2017
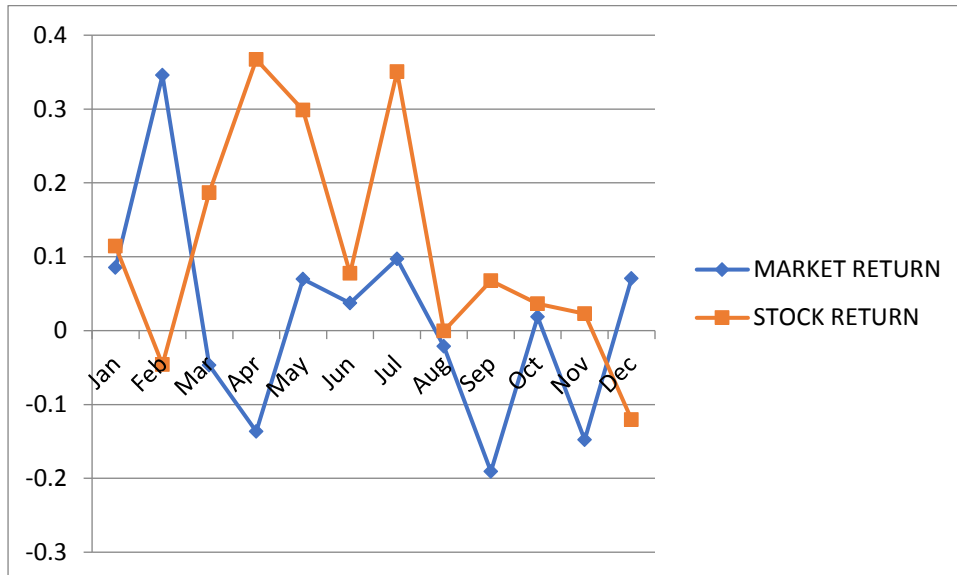
Interpretation

From the above table and graph we can analyze that a change in market return leads to

-0.2313 change in stock return. The stock returns proportional to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.211

From r-value we can interpret that there is weak linear relationship between market returns and stock returns

$r^2 = 0.0445$

From r^2, we can interpret that the stock acts **4.45 %** to the change in index

2.2.A; A Table showing Risk and Return Analysis of HDFC Bank Ltd of year 2016

Month	HDFC BANK		NIFTY		RETURNS				
	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	951.00	1077.35	8272.80	8808.90	-0.0648	0.1329	0.0042	-0.0086	0.0177
Feb	1068.50	1071.20	8802.5	8901.85	0.0113	0.0025	0.0001	0.0000	0.0000
Mar	1080.35	1022.70	8953.85	8492.30	-0.0515	-0.0534	0.0027	0.0028	0.0028
Apr	1026.10	988.80	8483.7	8181.50	-0.0356	-0.0364	0.0013	0.0013	0.0013
May	994.05	1050.55	8230.05	8433.65	0.0247	0.0568	0.0006	0.0014	0.0032
Jun	1048.95	1067.15	8417.25	8368.50	-0.0058	0.0174	0.0000	-0.0001	0.0003
Jul	1061.35	1111.65	8376.25	8532.85	0.0187	0.0474	0.0003	0.0009	0.0022
Aug	1112.75	1027.45	8510.65	7971.30	-0.0634	-0.0767	0.0040	0.0049	0.0059
Sep	1021.30	1068.80	7907.95	7948.90	0.0052	0.0465	0.0000	0.0002	0.0022
Oct	1075.20	1099.60	7992.05	8065.80	0.0092	0.0227	0.0001	0.0002	0.0005
Nov	1095.05	1077.75	8054.55	7935.25	-0.0148	-0.0158	0.0002	0.0002	0.0002
Dec	1077.05	1082.15	7958.15	7946.35	-0.0015	0.0047	0.0000	0.0000	0.0000
n = 12		TOTAL			-0.1683	0.1487	0.0136	0.0032	0.0364
Summation Total					∑X	∑Y	∑X²	∑XY	∑Y²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0032) - (-0.1683)(0.1487)}{[12(0.0136) - (-0.1683)^2]} = 0.4696$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0032) - (-0.1683)(0.1487)}{\sqrt{(12(0.0136) - (-0.1683)^2)(12(0.0364) - (0.1487)^2)}}$$
$$= 0.2676$$

2.2.B: A Graph representing Return of HDFC Bank Ltd with respected to Nifty Movement in year 2016
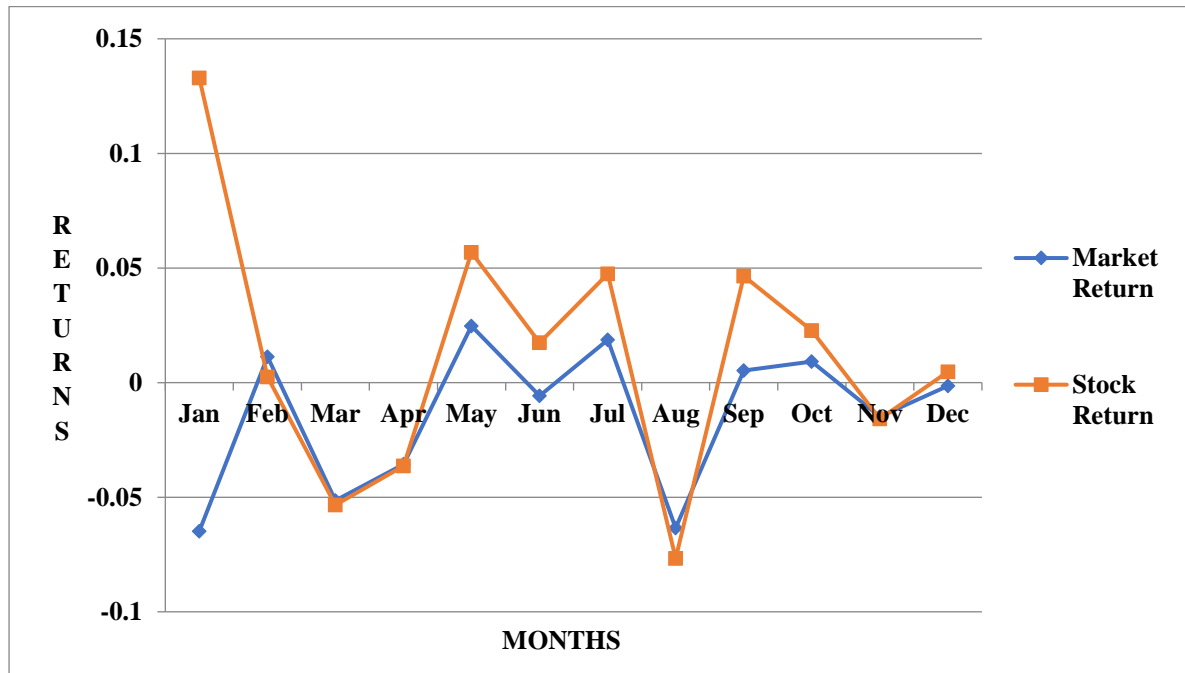
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.4696** change in stock return. The stock moves fastly to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.2676

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns

r^2 = 0.0716

From r^2, we can interpret that the stock acts **7.16%** to the change in index.

3.1.A; STATE BANK OF INDIA BANK

NAME	TYPE	INDUSTRY	NSE
SBI BANK	Public	Banking, Financial services	SBI BANK

A Table showing Risk and Return Analysis of SBI Bank Ltd of year 2017

Month	SBI Open	SBI Close	NIFTY Open	NIFTY Close	RETURNS X	Y	X²	X*Y	Y²
Jan	252.96	252.89	8379.05	8386.2	0.0853	-0.0277	0.0073	-0.00236	0.00077
Feb	273.29	272.48	8819.47	8849.96	0.3457	-0.2964	0.1195	-0.10247	0.08785
Mar	274.78	275.25	9064.56	9060.33	-0.0467	0.171	0.0022	-0.00799	0.02924
Apr	289.47	288.89	9245.75	9233.11	-0.1367	-0.2018	0.0187	0.02759	0.04072
May	296.01	295.14	9456.9	9463.48	0.0696	-0.2939	0.0048	-0.02046	0.08638
Jun	286.55	285.48	9261.42	9606.95	0.0373	-0.3734	0.0014	-0.01393	0.13943
Jul	288.82	289.35	9843.46	9850.11	0.0971	0.1835	0.0094	0.01782	0.03367
Aug	290.18	288.38	9921.34	9900.34	-0.0212	-0.6203	0.0004	0.01313	0.38477
Sep	269.43	268.01	9994.19	9975.12	-0.1908	-0.527	0.0364	0.10055	0.27773
Oct	266.47	267.3	10136.81	10138.7	0.0187	0.3115	0.0004	0.00584	0.09703
Nov	327.71	327.34	10344.72	10329.4	-0.1479	-0.1129	0.0219	0.0167	0.01275
Dec	315.88	315.34	10324.99	10317.7	0.0707	-0.1709	0.005	-0.01208	0.02921
n = 12			TOTAL		0.1812	-1.9583	0.2274	0.02234	1.2195
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.02234) - (0.1812)(1.9583)}{[12(0.2274) - (0.1812)^2]} = 0.231$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.02234) - (0.1812)(1.9583)}{\sqrt{(12(.2274) - (0.1812)^2)(12(1.2195) - (1.9583)^2)}} =$$

0.1154   SD = 1.13   VARIANCE= 1.28

3.1.B; A Graph representing Return of SBI Bank Ltd with respected to Nifty Movement in year 2017
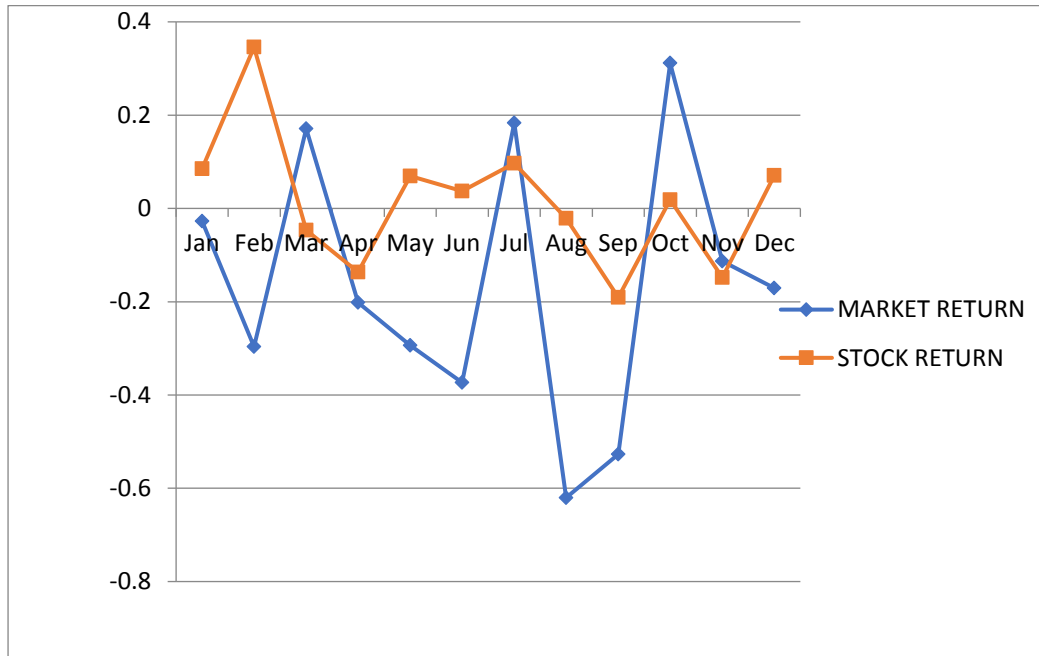
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.231** change in stock return. The stock moves slowly to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.1154

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns

r^2 = 0.0133

From r^2, we can interpret that the stock acts **1.33%** to the change in index

3.2.A: A Table representing Risk and Return Analysis of SBI Ltd of year 2016

Month	SBI		NIFTY		RETURNS				
	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	312.45	308.95	8272.80	8808.90	-0.0648	-0.0112	0.0042	0.0007	0.0001
Feb	309.50	301.65	8802.5	8901.85	0.0113	-0.0254	0.0001	0.0003	0.0006
Mar	305.90	267.05	8953.85	8492.30	-0.0515	-0.1270	0.0027	0.0065	0.0161
Apr	266.65	269.08	8483.7	8181.50	-0.0356	0.0091	0.0013	-0.0003	0.0001
May	274.00	278.15	8230.05	8433.65	0.0247	0.0151	0.0006	0.0004	0.0002
Jun	278.65	262.75	8417.25	8368.50	-0.0058	-0.0571	0.0000	0.0003	0.0033
Jul	263.10	270.05	8376.25	8532.85	0.0187	0.0264	0.0003	0.0005	0.0007
Aug	270.00	247.35	8510.65	7971.30	-0.0634	-0.0839	0.0040	0.0053	0.0070
Sep	244.85	237.15	7907.95	7948.90	0.0052	-0.0314	0.0000	-0.0002	0.0010
Oct	241.20	237.05	7992.05	8065.80	0.0092	-0.0172	0.0001	-0.0002	0.0003
Nov	238.00	250.20	8054.55	7935.25	0.0148	-0.0513	0.0002	-0.0008	0.0026
Dec	250.85	224.45	7958.15	7946.35	-0.0015	-0.1052	0.0000	0.0002	0.0111
n = 12			TOTAL		-0.1683	-0.3565	0.0136	0.0123	0.0432
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0123) - (-0.1683)(-0.3565)}{[12(0.0136) - (-0.1683)^2]} = \mathbf{0.6451}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0123) - (-0.1683)(-0.3565)}{\sqrt{(12(0.0136) - (-0.1683)^2)(12(0.0432) - (-0.3565)^2)}} =$$

0.3788

3.2.B; A Graph representing Return on SBI Ltd with respected to Nifty Movement in year 2016

Interpretation

From the above table and graph we can analyze that a time change in market leads to **0.6451** changes in stock return. The stock moves slowly to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.3788

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns

$\mathbf{r^2 = 0.1434}$

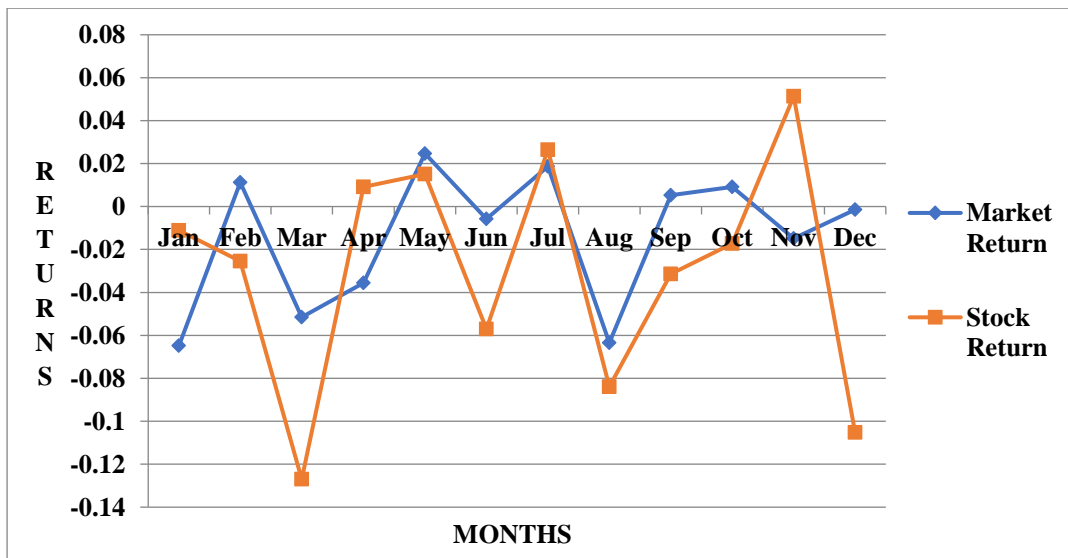From r^2, we can interpret that the stock acts **14.34%** to the change in index.

4.1.A: ITC LIMITED

NAME	TYPE	INDUSTRY	NSE	WEIGHTAGE TO NIFTY (%)
INDIAN TOBACCO COMPANY	Public	Conglomerate	ITC	7.64%

A Table showing Risk and Return Analysis of ITC LIMITED of year 2017

| Month | ITC | | NIFTY | | RETURNS | | | | |
	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	241.03	242.33	8379.05	8386.2	-0.0371	0.0087	0.0014	-0.0003	0.0001
Feb	250.83	251.97	8819.47	8850	1.0360	0.0155	0.0013	0.0006	0.0002
Mar	281.14	281.42	9064.56	9060.3	0.0702	0.0764	0.0049	0.0054	0.0058
Apr	264.81	263.74	9245.75	9233.1	-0.0049	-0.0361	0.0000	0.0002	0.0013
May	278.11	279.28	9456.9	9463.5	0.0775	0.0019	0.0060	0.0001	0.0000
Jun	299.62	298.19	9261.42	9607	0.0478	-0.0496	0.0023	-0.0024	0.0025
Jul	300.65	301.84	9843.46	9850.1	0.0121	0.0868	0.0001	0.0011	0.0075
Aug	296.94	297.74	9921.34	9900.3	0.0381	-0.0020	0.0015	-0.0001	0.0000
Sep	281.44	281.91	9994.19	9975.1	-0.0032	0.0341	0.0000	-0.0001	0.0012
Oct	267.16	267.07	10136.8	10139	0.0454	-0.0405	0.0021	-0.0018	0.0016
Nov	255.62	256.63	10344.7	10329	0.0288	0.0175	0.0008	0.0005	0.0003
Dec	250.96	251.88	10325	10318	-0.0375	0.0181	0.0014	-0.0007	0.0003
n = 12			TOTAL		0.2733	0.1309	0.0218	0.0024	0.0209
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0024) - (0.2733)(0.1309)}{[12(0.0218) - (0.2733)^2]} = \textbf{-0.0367}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0024) - (0.2733)(0.1309}{\sqrt{(12(0.0218) - (0.2733)^2)(12(0.0209) - (0.1309)^2)}} = \textbf{0.0329}$$

4.1.B; A Graph representing Return of ITC Limited with respected to Nifty Movement in year 2017
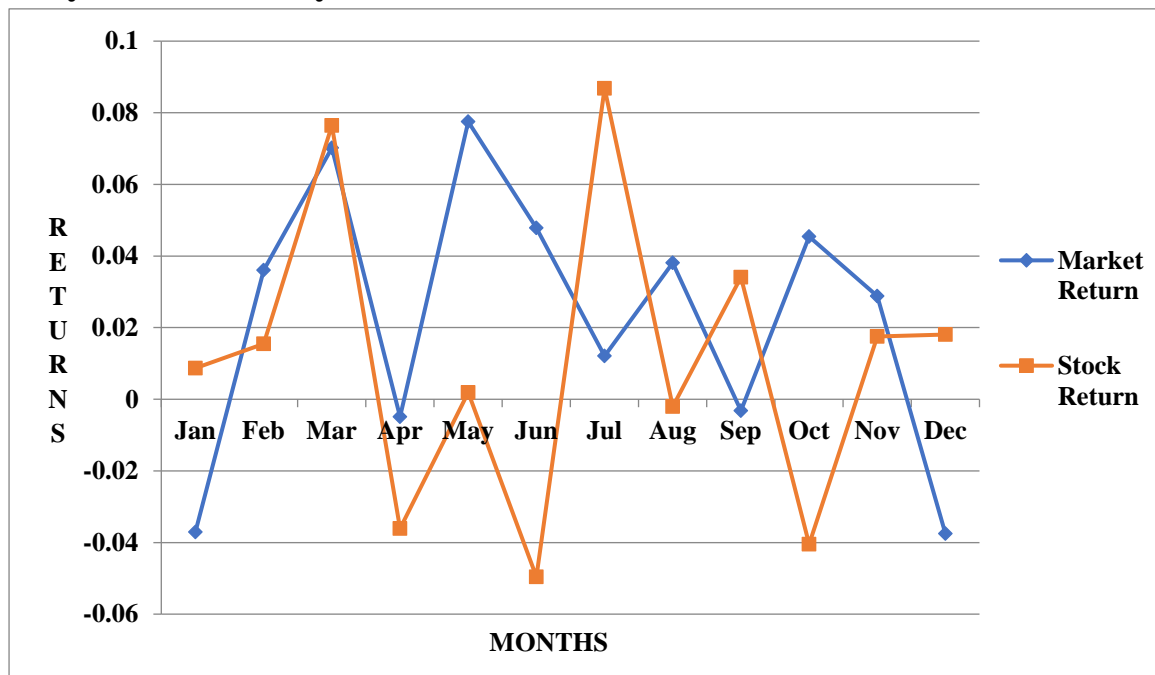
Interpretation

From the above table and graph we can analyze that a change in market return leads to **-0.0367** change in stock return. The stock returns proportional to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.0329

From r-value we can interpret that there is no linear relationship between market returns and stock returns

r^2 = 0.0010

From r^2, we can interpret that the stock acts **0.1%** to the change in index.

4.2.A; A Table showing Risk and Return Analysis of ITC LIMITED of year 2016

Month	ITC		NIFTY		RETURNS				
	Open	Close	Open	Close	X	Y	X^2	X*Y	Y^2
Jan	367.60	368.55	8272.80	8808.90	-0.0648	0.0026	0.0042	-0.0002	0.0000
Feb	367.00	361.35	8802.5	8901.85	0.0113	-0.0154	0.0001	-0.0002	0.0002
Mar	358.00	325.85	8953.85	8492.30	-0.0515	-0.0898	0.0027	0.0046	0.0081
Apr	325.85	322.35	8483.7	8181.50	-0.0356	-0.0107	0.0013	0.0004	0.0001
May	323.40	327.10	8230.05	8433.65	0.0247	0.0114	0.0006	0.0003	0.0001
Jun	325.50	315.15	8417.25	8368.50	-0.0058	-0.0318	0.0000	0.0002	0.0010
Jul	315.25	326.00	8376.25	8532.85	0.0187	0.0341	0.0003	0.0006	0.0012
Aug	326.00	325.15	8510.65	7971.30	-0.0634	-0.0026	0.0040	0.0002	0.0000
Sep	322.50	328.80	7907.95	7948.90	0.0052	0.0195	0.0000	0.0001	0.0004
Oct	327.05	334.65	7992.05	8065.80	0.0092	0.0232	0.0001	0.0002	0.0005
Nov	333.00	342.55	8054.55	7935.25	-0.0148	0.0287	0.0002	-0.0004	0.0008
Dec	345.20	327.80	7958.15	7946.35	-0.0015	-0.0504	0.0000	0.0001	0.0025
n = 12			TOTAL		-0.1683	-0.0812	0.0136	0.0059	0.0150
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0059) - (-0.1683)(-0.0812)}{[12(0.0136) - (-0.1683)^2]} = 0.4242$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0059) - (-0.1683)(-0.0812)}{\sqrt{(12(0.0136) - (-0.1683)^2)(12(0.0150) - (-0.0812)^2)}}$$

=0.3738

4.2.B; A Graph representing Return of ITC Limited with respected to Nifty Movement in year 2016

Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.4242** change in stock return. The stock moves slowly to the market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.3738

From R-value we can interpret that there is weak linear relationship between market returns and stock returns

$\mathbf{r^2 = 0.1397}$ From r^2, we can interpret that the stock acts **13.97%** to the change in index.
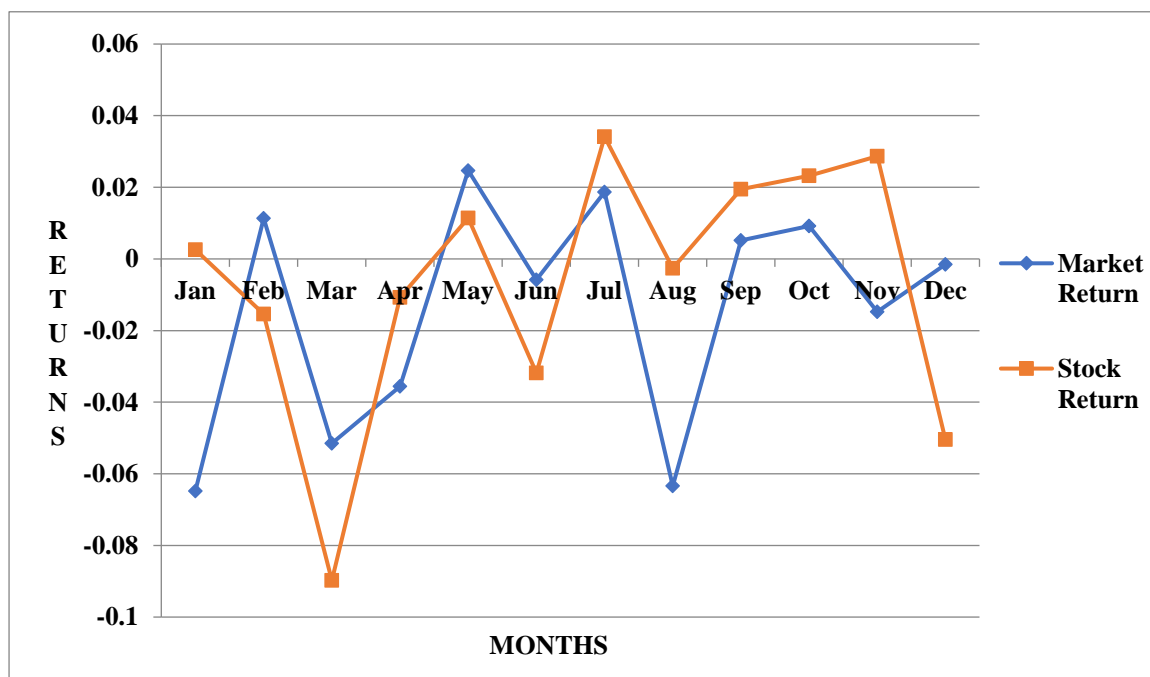
5.1.A; TATA CONSULTANCY SERVICES LIMITED

NAME	TYPE	INDUSTRY	NSE	WEIGHTAGE TO NIFTY (%)
TATA CONSULTANCY SERVICES	Public	IT Services, IT Consulting	TCS	5.20%

A Table showing Risk and Return Analysis of TCS Ltd of year 2017

Month	TCS Open	TCS Close	NIFTY Open	NIFTY Close	X	Y	X^2	X*Y	Y^2
Jan	2365.1	2365.05	8379.05	8386.2	-0.0371	.0280	0.0014	-0.0010	0.0008
Feb	2370	2371.75	8819.47	8850	0.0360	0.0242	0.0013	0.0009	0.0006
Mar	2371.8	2372.15	9064.56	9060.3	0.0702	-0.0610	0.0049	-0.0043	0.0037
Apr	2441	2441.2	9245.75	9233.1	-0.0049	0.0206	0.0000	-0.0001	0.0004
May	2410.25	2411.35	9456.9	9463.5	0.0775	-0.0183	0.0060	-0.0014	0.0003
Jun	2385	2386.4	9261.42	9607	0.0478	0.1313	0.0023	0.0063	0.0172
Jul	2482.9	2481.05	9843.46	9850.1	0.0121	0.0666	0.0001	0.0008	0.0044
Aug	2473	2474.35	9921.34	9900.3	0.0381	-0.0204	0.0015	-0.0008	0.0004
Sep	2490.4	2490.7	9994.19	9975.1	-0.0032	0.0836	0.0000	-0.0003	0.007
Oct	2580	2581.85	10136.8	10139	0.0454	-0.0524	0.0021	-0.0024	0.0027
Nov	2649	2643	10344.7	10329	0.0288	-0.0023	0.0008	-0.0001	0.000
Dec	2792.5	2791.25	10325	10318	-0.0375	-0.0348	0.0014	0.0013	0.0012
n = 12	**TOTAL**				**0.2733**	**0.1650**	**0.0218**	**-0.0011**	**0.0389**
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(-0.0011) - (0.2733)(0.1650)}{[12(0.0218) - (0.2733)^2]} = \textbf{-0.3100}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(-0.0011) - (0.2733)(0.1650)}{\sqrt{(12(0.0218) - (0.2733)^2)(12(0.0389) - (0.1650)^2)}} = \mathbf{0.2023}$$

5.1.B; A Graph representing Return on TCS Ltd with respected to Nifty Movement in year 2017
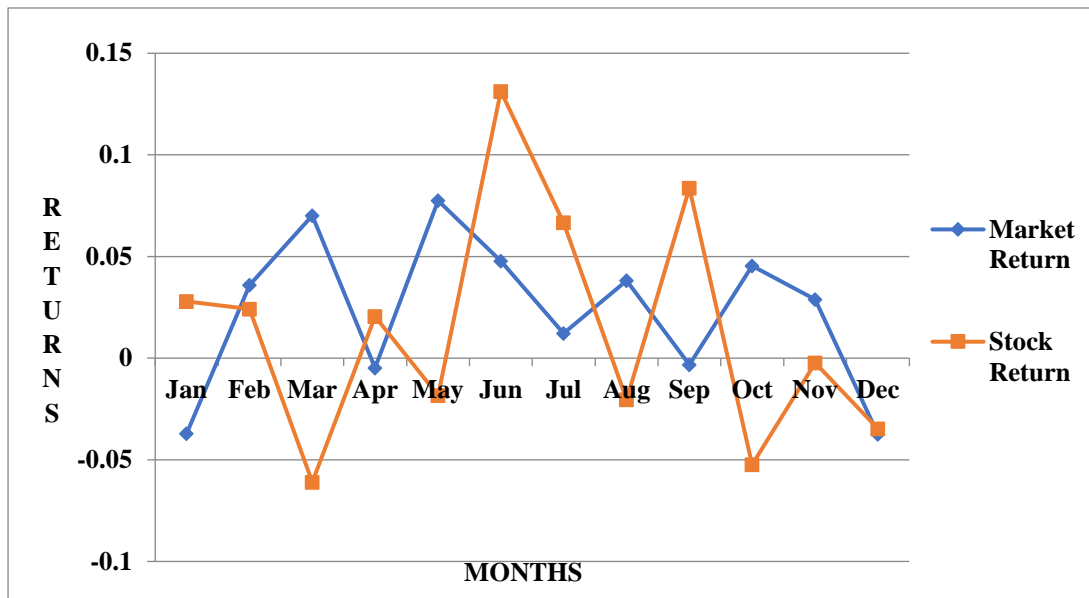
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **-0.3100** change in stock return. The stock is also considered to be less risky because the beta is less than 1.

r = 0.2023

From r-value we can interpret that there is weak linear relationship between market returns and stock returns

$\mathbf{r^2 = 0.0409}$

From r^2, we can interpret that the stock acts **4.09%** to the change in index.

**5.2.A; Table showing Risk and Return Analysis of TCS Ltd of year 2016**

Month	TCS		NIFTY		RETURNS				
	Open	**Close**	**Open**	**Close**	**X**	**Y**	**X²**	**X*Y**	**Y²**
Jan	2567.0	2482.05	8272.80	8808.90	-0.0648	-0.0331	0.0042	0.0021	0.0011
Feb	2482.0	2675.25	8802.5	8901.85	0.0113	0.0779	0.0001	0.0009	0.0061
Mar	2679.7	2553.95	8953.85	8492.30	-0.0515	-0.0469	0.0027	0.0024	0.0022
Apr	2558.0	2463.70	8483.7	8181.50	-0.0356	-0.0369	0.0013	0.0013	0.0014
May	2491.0	2610.30	8230.05	8433.65	0.0247	0.0479	0.0006	0.0012	0.0023
Jun	2609.4	2550.95	8417.25	8368.50	-0.0058	-0.0224	0.0000	0.0001	0.0005
Jul	2563.9	2510.75	8376.25	8532.85	0.0187	-0.0207	0.0003	-0.0004	0.0004
Aug	2503.4	2564.05	8510.65	7971.30	-0.0634	0.0242	0.0040	-0.0015	0.0006
Sep	2556.0	2588.05	7907.95	7948.90	0.0052	0.0125	0.0000	0.0001	0.0002
Oct	2599.0	2495.20	7992.05	8065.80	0.0092	-0.0399	0.0001	-0.0004	0.0016
Nov	2500.0	2364.70	8054.55	7935.25	-0.0148	-0.0541	0.0002	0.0008	0.0029
Dec	2362.9	2436.85	7958.15	7946.35	-0.0015	0.0313	0.0000	0.0000	0.0010
n = 12			**TOTAL**		-0.1683	-0.0603	0.0136	0.0066	0.0202
Summation Total					$\sum X$	$\sum Y$	$\sum X^2$	$\sum XY$	$\sum Y^2$

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.0066) - (-0.1683)(-0.0603)}{[12(0.0136) - (-0.1683)^2]} = \mathbf{0.5118}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.0066) - (-0.1683)(-0.0603)}{\sqrt{(12(0.0136) - (-0.1683)^2)(12(0.0202) - (-0.0603)^2)}} =$$

0.3846

5.2.B: A Graph representing Return on TCS Ltd with respected to Nifty Movement in year 2016
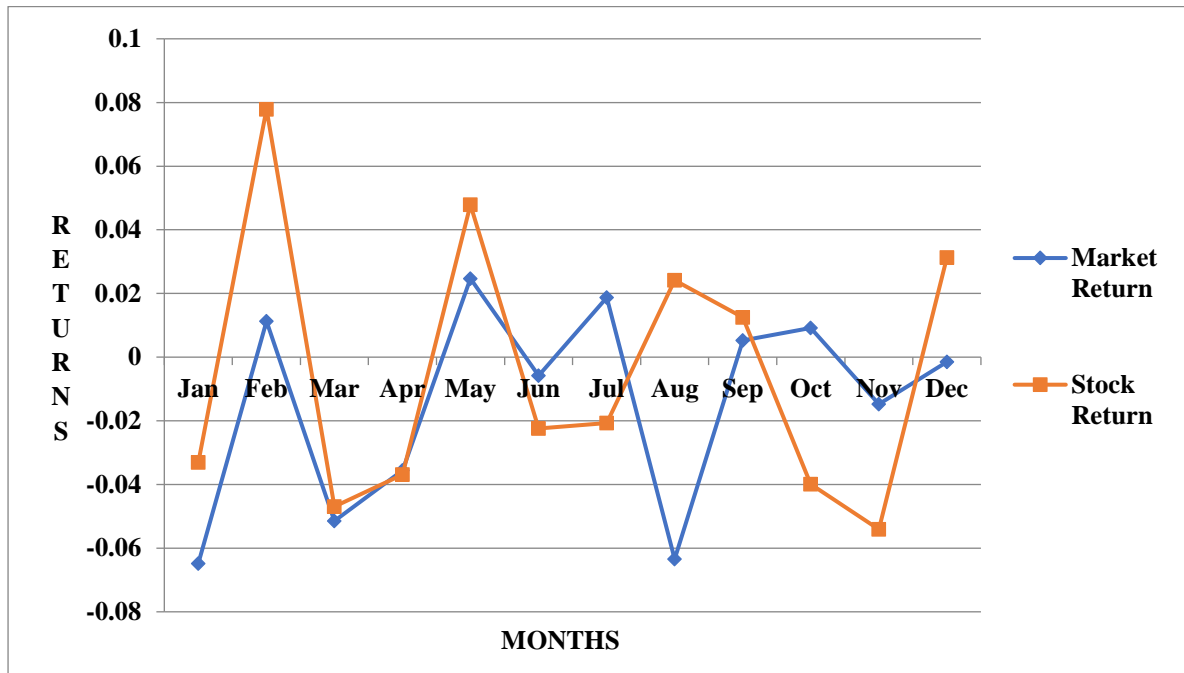
Interpretation: From the above table and graph we can analyze that a time change in market leads to **0.5118** change in stock return. The stock moves gradually to market index. The stock is also considered to be less risky because the beta is less than 1. **r = 0.3846**

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns $r^2 = 0.1479$

From r^2, we can interpret that the stock acts **14.79%** to the change in index

6.1.A; AXIS BANK

NAME	TYPE	INDUSTRY	NSE
AXIS BANK	Public	Banking, Financial services	AXISBANK

A Table showing Risk and Return Analysis Of AXIS Bank Ltd of year 2017

|	AXIS BANK		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X²	X*Y	Y²
Jan	461.03	462.33	8379.05	8386.2	0.0853	0.2819	0.0073	0.02405	0.07947
Feb	492.83	494.97	8819.47	8849.96	0.3457	0.4342	0.1195	0.1501	0.18853
Mar	505.14	504.42	9064.56	9060.33	-0.0467	-0.0773	0.0022	0.00361	0.00598
Apr	504.81	504.74	9245.75	9233.11	-0.1367	-0.0139	0.0187	0.0019	0.00019
May	508.11	507.28	9456.9	9463.48	0.0696	-0.1634	0.0048	0.01137	0.0267
Jun	509.62	509.19	9261.42	9606.95	0.0373	-0.0844	0.0014	0.00315	0.00712
Jul	519.65	518.84	9843.46	9850.11	0.0971	-0.1559	0.0094	0.01514	0.0243
Aug	501.94	500.74	9921.34	9900.34	-0.0212	-0.2391	0.0004	0.00506	0.05717
Sep	506.44	506.91	9994.19	9975.12	-0.1908	0.0928	0.0364	0.01771	0.00861
Oct	496.16	496.07	10136.81	10138.7	0.0187	-0.0182	0.0004	0.00034	0.00033
Nov	543.62	542.63	10344.72	10329.4	-0.1479	-0.1821	0.0219	0.02693	0.03316
Dec	543.96	544.88	10324.99	10317.7	0.0707	0.1691	0.005	0.01196	0.02859
n = 12			TOTAL		0.1812	0.0437	0.2274	0.1759	0.4602
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(0.1759) - (0.1812)(0.0437)}{[12(0.2274) - (-0.1812)^2]} = 0.78$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(0.1759) - (0..1812)(.0437)}{\sqrt{(12(.2274) - (0.1812)^2)(12(0.4602) - (.0437)^2)}} =$$

-0.545

6.1.B; A Graph representing Return of AXIS Bank Ltd with respected to Nifty Movement in year 2017
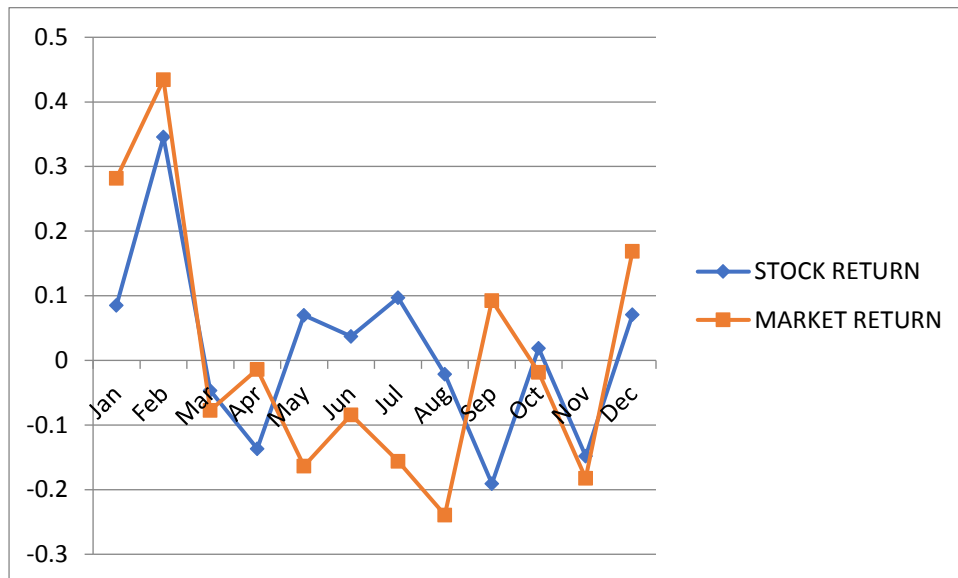
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.78** change in stock return. The stock moves quickly to market index. The stock is also considered to be less risky because the beta is less than 1.

r =- 0.545

From r-value we can interpret that there is strong linear relationship between market returns and stock returns

$r^2 = 0.2970$

From r^2, we can interpret that the stock acts **29.7%** to the change in index

**6.2.A: A Table showing Risk and Return Analysis of AXIS Bank Ltd of year 2016**

Month	AXIS BANK		NIFTY		RETURNS				
	Open	Close	Open	Close	X	Y	X²	X*Y	Y²
Jan	413.12	410.53	8272.8	8808.9	-0.0648	-0.6269	0.0042	0.04063	0.39305
Feb	396.93	394.08	8802.5	8901.85	0.0113	-0.718	0.0001	-0.00811	0.51554
Mar	416.93	417.38	8953.85	8492.3	-0.0515	0.1079	0.0027	-0.00556	0.01165
Apr	447.53	449.85	8483.7	8181.5	-0.0356	0.5184	0.0013	-0.01846	0.26874
May	489.05	490.17	8230.05	8433.65	0.0247	0.228	0.0006	0.00563	0.05198
Jun	525.26	526.43	8417.25	8368.5	-0.0058	0.2227	0.000025	-0.00129	0.04962
Jul	549.12	550.2	8376.25	8532.85	0.0187	0.1958	0.0003	0.00366	0.03833
Aug	575.03	575.81	8510.65	7971.3	-0.0634	0.1356	0.004	-0.0086	0.0184
Sep	590.17	587.36	7907.95	7948.9	0.0052	-0.4753	0.000012	-0.00247	0.2259
Oct	524.54	519.81	7992.05	8065.8	0.0092	-0.9017	0.0001	-0.0083	0.81314
Nov	479.13	478.5	8054.55	7935.25	-0.0148	-0.1315	0.0002	0.00195	0.01729
Dec	453.76	454.69	7958.15	7946.35	-0.0015	0.205	0.000065	-0.00031	0.04201
n = 12			TOTAL		-0.1683	-1.24	0.0136	-0.00123	2.44564
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(-0.00123) - (0.1983)(-1.24)}{[12(0.0136) - (-0.1683)^2]} = \textbf{-1.39}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(-0.00123) - (0.1983)(-1.24)}{\sqrt{(12(0.0136) - (0.1683)^2)(12(2.445) - (-1.24)^2)}} =$$

0.1154

6.2.B; A Graph representing Return of AXIS Bank Ltd with respected to Nifty Movement in year 2016
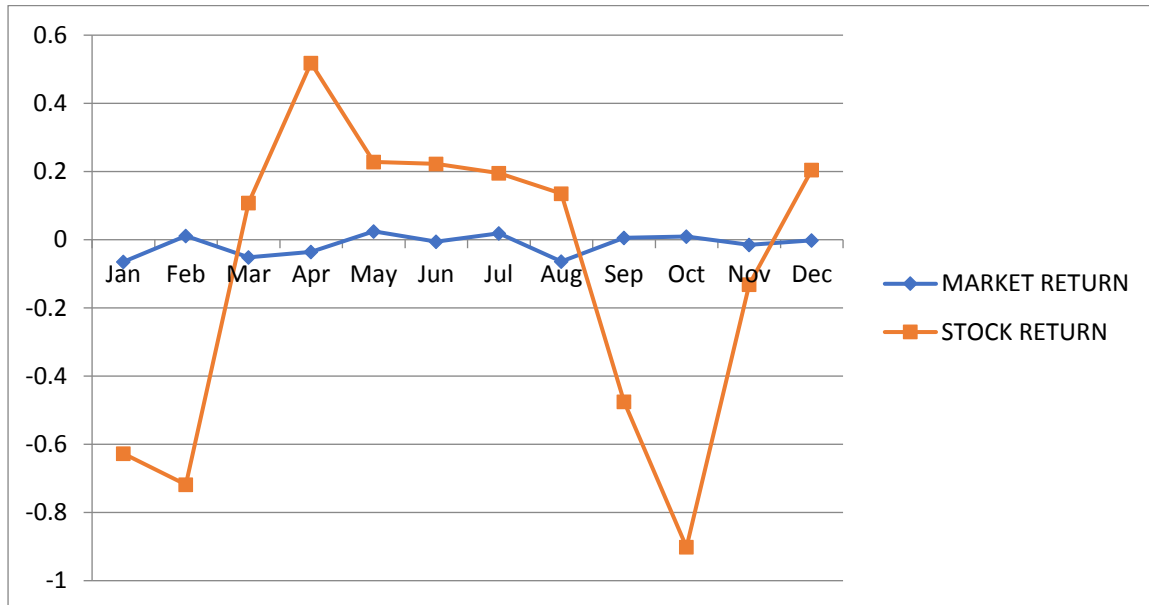
Interpretation

From the above table and graph we can analyze that a change in market return leads to **-1.39** change in stock return. The stock returns proportional to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.1154

$\mathbf{r^2 = 0.0133}$

From r^2, we can interpret that the stock acts **1.33%** to the change in index

7.1.A; YES BANK

NAME	TYPE	INDUSTRY	NSE
YES BANK	Public	Banking, Financial services	YES BANK

A Table showing Risk and Return Analysis of YES Bank Ltd of year 2017

| Month	YES BANK Open	Close	NIFTY Open	Close	RETURNS X	Y	X²	X*Y	Y²
Jan	1299.9	1306.9	8379.05	8386.2	0.0853	0.5385	0.0073	0.04593	0.28998
Feb	1426.1	1425.8	8819.47	8849.96	0.3457	-0.0203	0.1195	-0.00702	0.00041
Mar	1500.1	1504.3	9064.56	9060.33	-0.0467	0.2826	0.0022	-0.0132	0.07986
Apr	1571.9	1587.1	9245.75	9233.11	-0.1367	0.9638	0.0187	0.13175	0.92891
May	1518.4	1505.5	9456.9	9463.48	0.0696	-0.8515	0.0048	-0.05926	0.72505
Jun	1463.9	1461.7	9261.42	9606.95	0.0373	-0.1489	0.0014	-0.00555	0.02217
Jul	1576.6	1589	9843.46	9850.11	0.0971	0.7839	0.0094	0.07612	0.6145
Aug	1760.1	1756	9921.34	9900.34	-0.0212	-0.234	0.0004	0.00495	0.05476
Sep	1332	1335.6	9994.19	9975.12	-0.1908	0.271	0.0364	-0.05171	0.07344
Oct	1353.98	1351.5	10136.81	10138.7	0.0187	-0.6836	0.0004	-0.01281	0.46731
Nov	1312.66	1310.7	10344.72	10329.4	-0.1479	-0.6268	0.0219	0.0927	0.39288
Dec	1310.23	1310.1	10324.99	10317.7	0.0707	-0.0193	0.005	-0.00136	0.00037
n = 12			TOTAL		0.1812	0.2554	0.2274	-0.06296	3.65
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(-0.06296) - (-0.1812)(0.2554)}{[12(0.2274) - (-0.1812)^2]} = 0.2974$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(-.06296) - (0.1812)(.2554)}{\sqrt{(12(0.2274) - (0.1812)^2)(12(3.65) - (.2554)^2)}} =$$

0.0738

7.1.B; A Graph representing Return of YES Bank Ltd with respected to Nifty Movement in year 2017
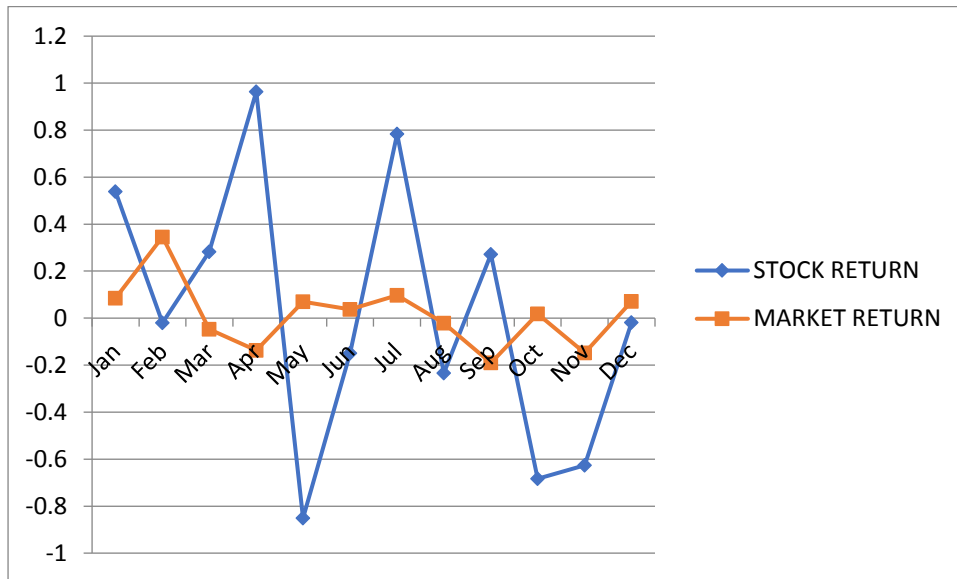
Interpretation

From the above table and graph we can analyze that a time change in market return leads to **0.2974** change in stock return. The stock moves bit by bit to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.0738

From r-value we can interpret that there is moderate linear relationship between market returns and stock returns

r^2 = 0.00544

From r^2, we can interpret that the stock acts **0.54%** to the change in index

**7.2.A: A Table showing Risk and Return Analysis Of YES Bank Ltd of year 2016**

Month	YES BANK Open	YES BANK Close	NIFTY Open	NIFTY Close	RETURNS X	RETURNS Y	X²	X*Y	Y²
Jan	685.41	685.3	8272.8	8808.9	-0.0648	-0.016	0.0042	0.00104	0.00026
Feb	735.37	733.62	8802.5	8901.85	0.0113	-0.238	0.0001	-0.0027	0.05663
Mar	783.8	790.87	8953.85	8492.3	-0.0515	0.90202	0.0027	-0.0465	0.81363
Apr	877.08	879.83	8483.7	8181.5	-0.0356	0.31354	0.0013	-0.0112	0.09831
May	966.25	969.17	8230.05	8433.65	0.0247	0.3022	0.0006	0.00746	0.09132
Jun	1062.16	1067.21	8417.25	8368.5	-0.0058	0.47545	0.003364	-0.0028	0.22605
Jul	1157.15	1161.31	8376.25	8532.85	0.0187	0.3595	0.0003	0.00672	0.12924
Aug	1285.05	1287.54	8510.65	7971.3	-0.0634	0.19377	0.004	-0.0123	0.03755
Sep	1279.91	1279.71	7907.95	7948.9	0.0052	-0.0156	0.002704	-8E-05	0.00024
Oct	1282.79	1281.23	7992.05	8065.8	0.0092	-0.1216	0.0001	-0.0011	0.01479
Nov	1186.18	1182.87	8054.55	7935.25	-0.0148	-0.279	0.0002	0.00413	0.07787
Dec	1166.47	1165.34	7958.15	7946.35	-0.0015	-0.0969	0.000225	0.00015	0.00938
n = 12			TOTAL		-0.1683	1.77929	0.0136	-0.057	1.55528
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]} = \frac{12(-0.0576) - (-0.1682)(1.77929)}{[12(0.0136) - (-0.1683)^2]} = \textbf{-2.387}$$

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}} = \frac{12(-.0576) - (-0.1682)(1.7792)}{\sqrt{(12(0.0136) - (0.1683)^2)(12(1.55) - (1.7792)^2)}} =$$

0.266

7.2.B: A Graph representing Return of YES Bank Ltd with respected to Nifty Movement in year 2016
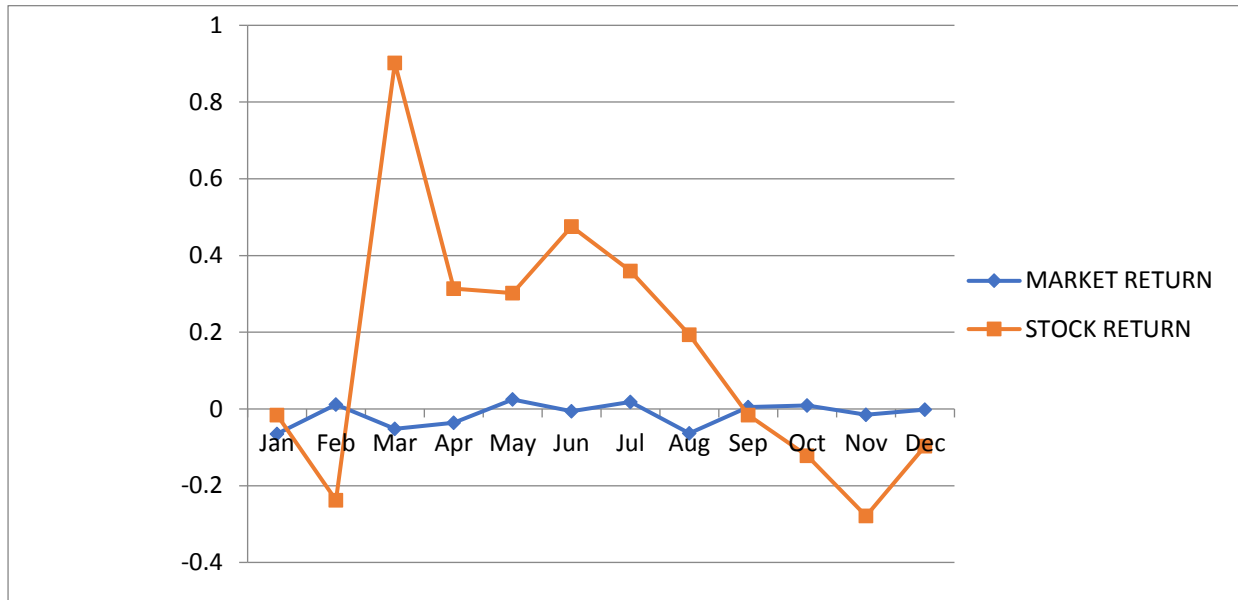
nterpretation

From the above table and graph we can analyze that a change in market return leads to

-2.387change in stock return. The stock returns proportional to market index. The stock is also considered to be less risky because the beta is less than 1.

r = 0.2664

From r-value we can interpret that there is weak linear relationship between market returns and stock returns

r² = 0.0709

From r^2, we can interpret that the stock acts **7.09 %** to the change in index

CHAPTER: 5

CHAPTER 5; SUMMARY OF INTERPRETATION:

A The table below is findings of risk and return analysis yearly wise

SL. NO	COMPNAY	2017			2016		
		β	r	r^2	β	r	r^2
1	ICICIBANK	0.493	0.286	0.0817	0.1319	0.0969	0.0093
2	HDFCBANK	0.231	0.211	0.0445	0.4696	0.2676	0.0716
3	SBIN	0.231	0.1154	0.0133	0.4651	0.3788	0.1434
4	ITC	-0.036	0.032	0.00102	0.4242	0.3738	0.1397
5	TCS	-0.310	0.202	0.0408	0.5118	0.3846	0.1479
6	AXISBANK	0.786	-0.545	0.297	-1.39	0.114	0.0129
7	YES BANK	0.297	0.0739	0.00546	-2.301	-0.266	0.0707

As per the beta interpretation following findings can be made

- The stocks having the beta value less than one is considered to be less risky.
- The stocks having beta value more than one is considered to be more risky.
- The stocks with negative beta value tend to move inversely with the market.
- The stocks with positive beta value between 0 to 1 tend to move slowly than the market.
- The stocks with beta value more than 1 are considered to be more volatile and react faster with the market.

5.1 FINDINGS

- The ICICI Bank stock is said to be moving slowly with the market index with moderate linear relationship between stock and market. Hence the stock is considered to be less riskier. Though stock is less riskier its able to make high returns in 2017, but fall in returns in year 2016. And it has positive return in year 2017, but a negative return in year 2016

- The HDFC Bank stock has a high beta and strong linear relationship in 2016, that of a moderate beta value and moderate linear relationship in 2017, moving moderately against market, hence the stock is considered to be moderately riskier. The stock is able to make decent higher returns for the year 2016 and 2017
.
- The SBI stock has a high beta and strong linear relationship in 2016, that of a moderate beta value and moderate linear relationship in 2017, moving moderately against market, hence the stock is considered to be moderately riskier. And it has a high positive return in year 2017, but a moderate return in year 2016.

- The ITC stock is has more variation, if compared by past 2 years data, as it shows a negative beta in 2016 and a positive beta in 2017. But the stock is moving slowly against the market with moderate linear relationship. But the stock is said to be moderately riskier. And it has positive return in year 2016, but a decent return in year 2017

- The TCS stock is has more variation, if compared by past 2 years data, as it shows a negative beta in 2017 and a positive beta in 2016. But the stock is moving slowly against the market with moderate linear relationship. But the stock is said to be moderately riskier. And it has positive return in year 2016, but a moderate return in year 2017.

- . The AXISBANK stock is said to be moving slowly with the market index with Negative linear relationshipin 2016 between stock and market. Hence the stock is considered to be less risky in 2016. But 2017 it appears as riskyin The stock and it is able to make negative returns for the year 2018 and 2017

- The YES Bank stock has a negative beta and it is too less risky in 2016, that of a moderate beta value and moderate linear relationship in 2017, moving moderately against market, hence the stock is considered to be moderately riskier. The stock is able to make high returns for the year 2016 and 2017

5.2 CONCLUSION

Risk and return analysis is very essential, because it helps to calculate future predictable returns and risk of the stock.

From the study it is clear that the investment in ITC, SBI, YESBANK and TCS has low risk with decent returns. HDFC Bank and ICICIBANK with moderate risk and a moderate returns.

While stocks In AXIS Bank have high risk and comparitively with others. due some organizational problems at the time of demonitization in india it incures some loss. So it may fails to reach the expected rate of return for the year 2017 and 2018

The ITC is the stock that has found good recovery in terms of reducing risk from year to year and also fetching higher returns compared to other stocks considered in the study.

The investment in stocks of in Nifty index with preferable because of continuous appreciation of nifty index. Investments in stocks are to be made for a longer period of time to fetch good returns for what an investor has invested.

5.3 SUGGESTIONS:

The present study shows that the Top companies or selected sectors are down on performance at the market. The investor has to study the price behavior of the stocks. Usually history Repeat itself even though it is not imperfect always

➤ IT sectors shares in the portfolio of the investor is likely to give good returns but with high risk percentage. Suggesting a continuous growth over a period of time might not suit IT sector.

➤ Compared between IT and Banking sector, banking sector provides more returns with constant growth with less fluctuations due to market imbalance.

ANNEXURE

1) ICICI BANK:

Nse symbol: ICICIBANK ISIN: INE090A01021

Historical data of ICICI bank for the period JAN 2017 TO DEC 2016:

Month	ICICI BANK		NIFTY		ICICI BANK		NIFTY	
	Open	Close	Open	Close	Open	Close	Open	Close
Jan	262.64	262.79	8379.05	8386.2	352.7	360.7	8272.8	8808.9
Feb	283.09	283.21	8819.47	8850	360.3	346.15	8802.5	8901.85
Mar	277.89	276.67	9064.56	9060.3	350.85	315.5	8953.85	8492.3
Apr	278.43	278.53	9245.75	9233.1	315	331.15	8483.7	8181.5
May	303.42	304.16	9456.9	9463.5	332.75	317.25	8230.05	8433.65
Jun	309.1	308.29	9261.42	9607	317	308	8417.25	8368.5
Jul	299.19	298.15	9843.46	9850.1	308.7	302.4	8376.25	8532.85
Aug	296.5	295.9	9921.34	9900.3	304.45	277.9	8510.65	7971.3
Sep	290.14	288.75	9994.19	9975.1	275	270.35	7907.95	7948.9
Oct	277.06	277.56	10136.8	10139	273.45	277	7992.05	8065.8
Nov	315.35	315.65	10344.7	10329	277	274.75	8054.55	7935.25
Dec	309.51	309.55	10325	10318	275.05	261.35	7958.15	7946.35

2) HDFC BANK:

Nse symbol: HDFCBANK ISIN: INE040A01026

Historical data of HDFC bank for the period JAN 2017 TO DEC 2016:

Month	HDFC BANK		NIFTY		HDFC BANK		NIFTY	
	Open	Close	Open	Close	Open	Close	Open	Close
Jan	1233.4	1234.8	8379.05	8386.2	951	1077.35	8272.8	8808.9
Feb	1342.4	1341.8	8819.47	8849.96	1068.5	1071.2	8802.5	8901.85
Mar	1412.2	1414.8	9064.56	9060.33	1080.35	1022.7	8953.85	8492.3
Apr	1468.4	1473.8	9245.75	9233.11	1026.1	988.8	8483.7	8181.5
May	1564.1	1568.8	9456.9	9463.48	994.05	1050.55	8230.05	8433.65
Jun	1662.7	1664	9261.42	9606.95	1048.95	1067.15	8417.25	8368.5
Jul	1697.7	1703.7	9843.46	9850.11	1061.35	1111.65	8376.25	8532.85
Aug	1768.3	1768.3	9921.34	9900.34	1112.75	1027.45	8510.65	7971.3
Sep	1806.8	1808	9994.19	9975.12	1021.3	1068.8	7907.95	7948.9
Oct	1820.5	1821.2	10136.81	10138.7	1075.2	1099.6	7992.05	8065.8
Nov	1833	1833.4	10344.72	10329.4	1095.05	1077.75	8054.55	7935.25
Dec	1852.6	1850.4	10324.99	10317.7	1077.05	1082.15	7958.15	7946.35

3) SBI:

Nse symbol: SBIN   ISIN: INE062A01020

Historical data of for the period JAN 2017 TO DEC 2016:

Month	SBI Open	SBI Close	NIFTY Open	NIFTY Close	SBI Open	SBI Close	NIFTY Open	NIFTY Close
Jan	252.96	252.89	8379.05	8386.2	312.45	308.95	8272.8	8808.9
Feb	273.29	272.48	8819.47	8849.96	309.5	301.65	8802.5	8901.85
Mar	274.78	275.25	9064.56	9060.33	305.9	267.05	8953.85	8492.3
Apr	289.47	288.89	9245.75	9233.11	266.65	269.08	8483.7	8181.5
May	296.01	295.14	9456.9	9463.48	274	278.15	8230.05	8433.65
Jun	286.55	285.48	9261.42	9606.95	278.65	262.75	8417.25	8368.5
Jul	288.82	289.35	9843.46	9850.11	263.1	270.05	8376.25	8532.85
Aug	290.18	288.38	9921.34	9900.34	270	247.35	8510.65	7971.3
Sep	269.43	268.01	9994.19	9975.12	244.85	237.15	7907.95	7948.9
Oct	266.47	267.3	10136.81	10138.7	241.2	237.05	7992.05	8065.8
Nov	327.71	327.34	10344.72	10329.4	238	250.2	8054.55	7935.25
Dec	315.88	315.34	10324.99	10317.7	250.85	224.45	7958.15	7946.35

4) TCS:

Nse symbol: TCS   ISIN: INE467B01029

Historical data of Tcs for the period JAN 2017 TO DEC 2016:

Month	TCS Open	TCS Close	NIFTY Open	NIFTY Close	TCS Open	TCS Close	NIFTY Open	NIFTY Close
Jan	2365.1	2365.05	8379.05	8386.2	2567	2482.05	8272.8	8808.9
Feb	2370	2371.75	8819.47	8850	2482	2675.25	8802.5	8901.85
Mar	2371.8	2372.15	9064.56	9060.3	2679.7	2553.95	8953.85	8492.3
Apr	2441	2441.2	9245.75	9233.1	2558	2463.7	8483.7	8181.5
May	2410.25	2411.35	9456.9	9463.5	2491	2610.3	8230.05	8433.65
Jun	2385	2386.4	9261.42	9607	2609.4	2550.95	8417.25	8368.5
Jul	2482.9	2481.05	9843.46	9850.1	2563.9	2510.75	8376.25	8532.85
Aug	2473	2474.35	9921.34	9900.3	2503.4	2564.05	8510.65	7971.3
Sep	2490.4	2490.7	9994.19	9975.1	2556	2588.05	7907.95	7948.9
Oct	2580	2581.85	10136.8	10139	2599	2495.2	7992.05	8065.8
Nov	2649	2643	10344.7	10329	2500	2364.7	8054.55	7935.25
Dec	2792.5	2791.25	10325	10318	2362.9	2436.85	7958.15	7946.35

5) AXISBANK:

Nse symbol: AXISBANK

Historical data of for the period JAN 2017 TO DEC 2016:

Month	AXISBANK		NIFTY		AXISBANK		NIFTY	
	Open	Close	Open	Close	Open	Close	Open	Close
Jan	461.03	462.33	8379.05	8386.2	413.12	410.53	8272.8	8808.9
Feb	492.83	494.97	8819.47	8849.96	396.93	394.08	8802.5	8901.85
Mar	505.14	504.42	9064.56	9060.33	416.93	417.38	8953.85	8492.3
Apr	504.81	504.74	9245.75	9233.11	447.53	449.85	8483.7	8181.5
May	508.11	507.28	9456.9	9463.48	489.05	490.17	8230.05	8433.65
Jun	509.62	509.19	9261.42	9606.95	525.26	526.43	8417.25	8368.5
Jul	519.65	518.84	9843.46	9850.11	549.12	550.2	8376.25	8532.85
Aug	501.94	500.74	9921.34	9900.34	575.03	575.81	8510.65	7971.3
Sep	506.44	506.91	9994.19	9975.12	590.17	587.36	7907.95	7948.9
Oct	496.16	496.07	10136.81	10138.7	524.54	519.81	7992.05	8065.8
Nov	543.62	542.63	10344.72	10329.4	479.13	478.5	8054.55	7935.25
Dec	543.96	544.88	10324.99	10317.7	453.76	454.69	7958.15	7946.35

6) YES BANK:

Nse symbol: YESBANK

Historical data of for the period JAN 2017 TO DEC 2016:

Month	AXISBANK		NIFTY		AXISBANK		NIFTY	
	Open	Close	Open	Close	Open	Close	Open	Close
Jan	1299.9	1306.9	8379.05	8386.2	685.41	685.3	8272.8	8808.9
Feb	1426.1	1425.8	8819.47	8849.9	735.37	733.62	8802.5	8901.85
Mar	1500.1	1504.3	9064.56	9060.3	783.8	790.87	8953.85	8492.3
Apr	1571.9	1587.1	9245.75	9233.1	877.08	879.83	8483.7	8181.5
May	1518.4	1505.5	9456.9	9463.4	966.25	969.17	8230.05	8433.65
Jun	1463.9	1461.7	9261.42	9606.9	1062.16	1067.21	8417.25	8368.5
Jul	1576.6	1589	9843.46	9850.1	1157.15	1161.31	8376.25	8532.85
Aug	1760.1	1756	9921.34	9900.3	1285.05	1287.54	8510.65	7971.3
Sep	1332	1335.6	9994.19	9975.1	1279.91	1279.71	7907.95	7948.9
Oct	1353.98	1351.56	10136.81	10138.	1282.79	1281.23	7992.05	8065.8
Nov	1312.66	1310.7	10344.72	10329.	1186.18	1182.87	8054.55	7935.25
Dec	1310.23	1310.17	10324.99	10317.	1166.47	1165.34	7958.15	7946.35

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ACHARYA INSTITUTE OF TECHNOLOY
DEPARTMENT OF MBA

PROJECT WEEKLY REPORT (16MBAPR407)

Name of the Student: Chandan H S.

Internal Guide: Dr. Virupaksha Goud.
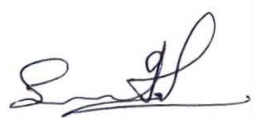
USN No: 1AZ16MBA18

Specialization: Finance & Marketing

Title of the Project: A Study on Risk and Return analysis of 07 selected stocks in nifty index.

Company Name: Sharekhan securities Ltd.

Weak	Work Undertaken	External Guide Signature	Internal Guide Signature
15-1-2018 to 20-1-20018	Introduction about Sharekhan securities Ltd and its operation		
22-1-2018 to 27-1-20018	Learning about the different operation and services by Sharekhan securities Ltd		
29-1-2018 to 3-2-20018	Orientation and gathering information about the growth of the company		
5-2-2018 to 10-2-2018	Analysis of the market position of the company		
12-2-2018 to 17-2-2018	Research problem identification		

19-2-2018 to 24-2-2018	Preparation of the research instrument for data collection		
26-2-2018 to 3-3-2018	Theoretical background of the study		
5-3-2018 to 10-3-2018	Data collection and analysis		
12-3-2018 to 17-3-2018	Interpretation of the data gathered during the survey		
19-3-2018 to 24-3-2018	Final report preparation and submission		

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