A COMPARATIVE STUDY OF SELECTED STOCKS LISTED IN BOTH BSE AND NSE

Mr. B .KIRAN KUMAR REDDY

Assistant professor, Department of Master of Business Administration, Mallareddy Engineering College (Autonomous) Maisammaguda, Secunderabad.

Email:kiran.busi@gmail.com

ABSTRACT

This research paper is a comparative study of Bombay Stock Exchange and National Stock Exchange during 2017-2018. A ready market for investments was need of the hour and this was how the Stock Exchange came into being. The health of the economy is reflected by the growth of stock market. Over the years, the Indian stock markets have become stronger. Presently, the Bombay Stock Exchange Limited and National Stock Exchange of

India Limited put together account for 80% of the total turnover as compared to 10% by the other stock exchanges. So the researcher decided to compare these two most prominent stock exchanges of India.

Keywords: Stock Market, BSE, NSE, Liquidity and Volumes etc.

I. INTRODUCTION

After the invention of cash ,people started expanding business not solely with their cash however also with the borrowed capital.This result in the existence of Capital Market and market.The monetary market incorporates

a phase ofthose market.The monetary market play an important role in raising funds from the generalpublic and helps the firm not solely in increasing the profits of the trade however conjointly helps in developing the monetary Assets of the businesses

.This result in the evolvement of ''STOCK EXCHANGE’.The stock market give a liquidity to the personal investment for the investors in company sector .Exchanges are crossing across national boundaries resulting in the extent of their

services that has diode to the emergence of cross border integration.

The Indian market contains several developed markets on the premise of 'QUALITATIVE PARAMETER'. it's a collective pool of concerning twenty million investors .

Over 9000 corporations listed their exchanges during this securities market. The two main stock exchanges of India are:

1. BSE

2. NSE

BOMBAY STOCK EXCHANGE

The stock exchange of Mumbai is now 'Bombay Stock Exchange Ltd '.BSE is the oldest Stock Exchange of Asia.It was established in the year 1875.Since its inception it contains a deep knowledge of capital marker More than 5000 companies have listed their exchanges on BSE Ltd, Making it a number one exchange board of

India in terms of listing members. The BSE act as a backbone of countries capital market.AS one of the finest exchange board of India BSE of us capitalization of about 1082, 517.7$

NATIONAL STOCK EXCHANGE

The National stock exchange came into existence in 1992.It is the largest and most advanced stock market of India .In terms of transactions it is regarded as the 3rd biggest exchange in Asia.In terms of transaction volume it is among the 5 biggest stock exchange in the world.In April 1993,NSE is recognised as stock exchange under the contract (Regulatory) act,1956.After its commencement it started its operation in Wholesale Debt Market (WDM) segment in June 1994.NSE consist of US capitalisation of about 1019,109.0$.

AIMS

The Aim of the project is to draw a comparative study of BSE and NSE.The aim is to help the investor to understand about the functioning of BSE and NSE.

II. OBJECTIVES

- To generate literature reviews on BSE & NSE sensex Index.
- To writes the analysis methodology to develop the project on BSE & NSE.
- To performs the info analysis on BSE & NSE.
- To develops a comparative project report on BSE & NSE sensex.

III. REVIEW OF LITERATURE

1. Sarat Dhal (2009) used multivariate co -integration analysis of stock prices indices of global markets of the US, the UK and Japan, Hang Kang Singapore India over the period covers April 1993 to July 2009. The res ults sho w that these markets shared single co - integration relationship and Indian Stock market played the key role.

2. Srinivasa Rao Gangadharan & C.A Yoonus (2011) examined the impact of the global financial crisis on the level of financial integration betwe en the US(S&P 500) and Indian stock market (CNX S&P) using daily returns from March 2005 to November 2010. The study finds that there is no co -integration between the two indices.

3. Amalendu Bhunia & Amit Das (2011) examined interdependence between selected South –East countries stock markets and Indian stock market for the period from 1st August 1991 to 31ST July2011.the overall results indicates an increase in the integration between South East markets after global financial crisis.

IV. RESEARCH METHODOLOGY

The research methodology of the selected topic follows in these dimensions: articles, reports and surveys published on Capital Markets, BSE and NSE etc.

V. DATA COLLECTION:

Primary data: Primary data is the data which is collected directly through investigation. In this analysis no primary data is used.

Secondary data: Secondary data is the data collected from various outside sources like news papers, journals, NSE, BSE, websites etc. In this analysis majority of the data is collected from the secondary data.

RESEARCH TOOLS:

Basically whole data analysis has been performed using spreadsheet in Excelby using different statistical functions inbuilt in Excel. The following statistical functions have been employed during the data analysis:
Standard deviation
Rate of Return
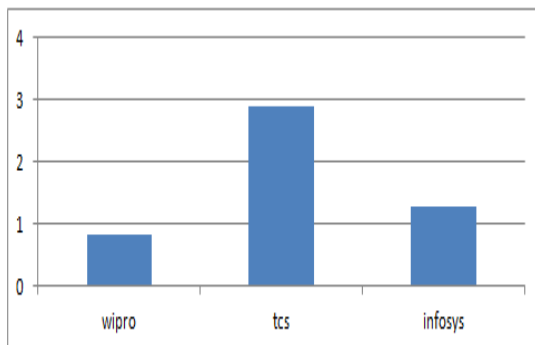**Coefficient of Correlation**
Mean
VI.   DATA   ANALYSIS   AND INTERPRETATION

The various data being collected during the survey are presented below

COMPARATIVE ANALYSIS OF MEAN TCS,WIPRO,INFOSYS IN BSE:

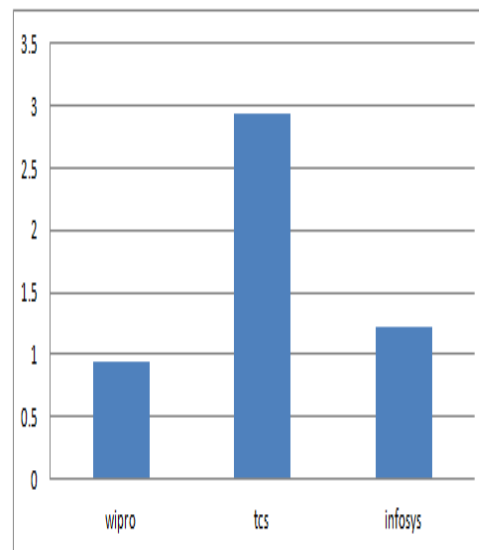| COMPANIES	MEAN VALUE'S
WIPRO	0.835665
TCS	2.906033
INFOSYS	1.283799

INTERPRETATION:

From the above calculations it was found that Wipro is havingthe least mean i.e.; 0.835665 among the three companies. and the Infosys having second highestmean of 1.283799 and TCS is the having the highest mean value i.e.; 2.906033.the mean is calculated on the returns of the company respectively.

COMPARATIVE ANALYSIS OF MEAN TCS,WIPRO,INFOSYS IN NSE:

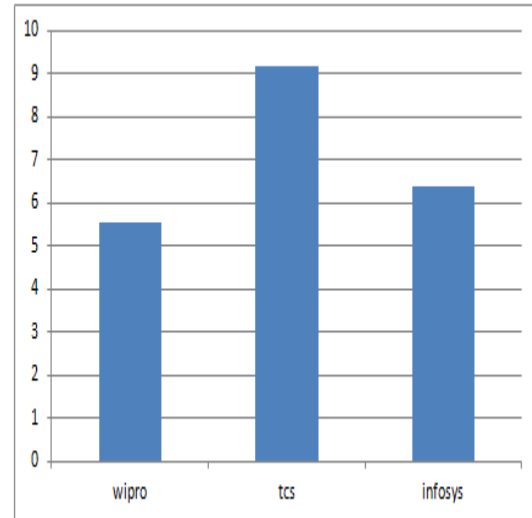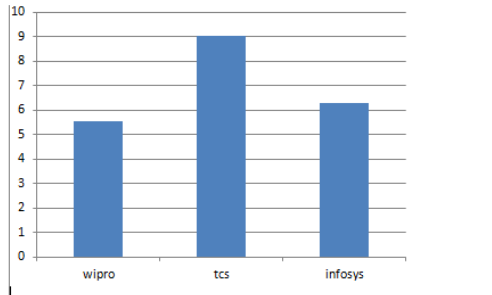| COMPANIES	MEAN VALUE'S
WIPRO	0.940334
TCS	2.93782
INFOSYS	1.223005

INTERPRETATION:
From the above calculations it was found that Wipro is having the least mean i.e.; 0.940334 among the three companies. and the Infosys having second highest mean of 1.223005 and TCS is the having the highest mean value i.e.; 2.93782. the mean is calculated on the returns of the company respectively.

STANDARD DEVIATION OF TCS,WIPRO,INFOSYS IN BSE:

COMPANIES	MEANVALUE'S
WIPRO	5.558779
TCS	9.024547
INFOSYS	6.304528

INTERPRETATION:

From the above calculations it was found that Wipro is having the least standard deviation i.e.; 5.558779 among the three companies. and the Infosys having second highest standard deviation of 6.304528 and TCS is the having the highest standard deviation value i.e.; 9.024547. the standard deviation is calculated on the returns of the company respectively.

INTERPRETATION:

From the above calculations it was found that Wipro is having the least standard deviation i.e.; 5.551689 among the three companies. and the Infosys having second highest standard deviation of 6.378168 and TCS is the having the highest standard deviation value i.e.; 9.170918. the standard deviation is calculated on the returns of the company respectively.

VII. STATISTICAL ANALYSIS:

CORRELATION OF TCS,WIPRO,INFOSYS IN BOTH BSE & NSE:

STANDARD DEVIATION OF TCS,WIPRO,INFOSYS IN NSE:

COMPANY	MEAN VALUE
WIPRO	5.551689
TCS	9.170918
INFOSYS	6.378168

BSE:

COMPANIES	MEAN VALUE
WIPRO	0.835665
TCS	2.906033
INFOSYS	1.283799

NSE:

COMPANIES	MEAN VALUES
WIPRO	0.940334
TCS	2.93782
INFOSYS	1.223005

CORRELATION: 0.997109

INTERPRETATION:

From the above calculations the correlation was found that 0.997109 when compare to three companies listed in BSE & NSE

T-TEST OF MEAN OF BOTH BSE AND NSE (WIPRO):

t-Test: Paired Two Sample for Means

	Variable 1	Variable 2
Mean	0.940334189	0.835664835
Variance	30.82124822	30.90002187
Observations	14	14
Pearson Correlation	0.993394964	
Hypothesized Mean Difference	0	
df	13	
t Stat	0.613340943	
P(T<=t) one-tail	0.275116016	
t Critical one-tail	1.770933396	
P(T<=t) two-tail	0.550232033	
t Critical two-tail	2.160368656	

INTERPRETATION:

From the above table we can say that Ho is rejected. Because t-stat value (0.613340943) is greater than t critical one tail (0.275116016). Hence, there is an impact of BSE & NSE on IT sector

T-TEST OF MEAN OF BOTH BSE AND NSE (TCS):

t-Test: Paired Two Sample for Means

	Variable 1	Variable 2
Mean	2.906603327	2.937820175
Variance	81.44245325	84.10574147
Observations	14	14
Pearson Correlation	0.999866594	
Hypothesized Mean Difference	0	
df	13	
t Stat	-0.570209461	
P(T<=t) one-tail	0.289128976	
t Critical one-tail	1.770933396	
P(T<=t) two-tail	0.578257951	
t Critical two-tail	2.160368656	

INTERPRETATION:

From the above table we can say that Ho is accepted. Because t-stat value (-0.570209461) is less than t-critical one tail (0.289128976). Hence, there is no impact of BSE & NSE on IT sector

T TEST OF MEAN OF BOTH BSE AND NSE (INFOSYS):

t-Test: Paired Two Sample for Means

	Variable 1	Variable 2
Mean	1.283798674	1.223004637
Variance	39.74707673	40.68103323
Observations	14	14
Pearson Correlation	0.998465003	
Hypothesized Mean Difference	0	
df	13	
t Stat	0.633645832	
P(T<=t) one-tail	0.268650734	
t Critical one-tail	1.770933396	
P(T<=t) two-tail	0.537301468	
t Critical two-tail	2.160368656	

INTERPRETATION:

From the above table we can say that Ho is rejected. Because t-stat value (0.633645832) is greater than t-critical one tail (0.268650734). Hence, there is an impact of BSE & NSE on IT sector

VIII.FINDINGS:

From the above calculations it was found that Wipro is having the least mean i.e.; 0.835665 among the three companies. and the Infosys having second highest mean of 1.283799 and TCS is the having the highest mean value i.e.; 2.906033. the mean is calculated on the returns of the company respectively.

From the above calculations it was found that Wipro is having the least mean i.e.; 0.940334
among the three companies. and the Infosys having second highest mean of 1.223005 and TCS is the having the highest mean value i.e.; 2.93782. the mean is calculated on the returns of the company respectively.

From the above calculations it was found that Wipro is having the least standard deviation i.e.; 5.558779 among the three

companies. and the Infosys having second highest standard deviation of 6.304528 and TCS is the having the highest standard deviation value i.e.; 9.024547. the standard deviation is calculated on the returns of the company respectively.

From the above calculations it was found that Wipro is having the least standard deviation i.e.; 5.551689 among the three companies. and the Infosys having second highest standard deviation of 6.378168 and TCS is the having the highest standard deviation value i.e.; 9.170918. the standard deviation is calculated on the returns of the company respectively.

From the above calculations the correlation was found that 0.997109 when compare to three companies listed in BSE & NSE.

CONCLUSION:

By the analysis, we can conclude that though the sectors are performing so well in the context of return they are having a high-risk factor.IT sector are performing well in earnings higher returns. But sectors are having higher risk rates. This is because of many reasons and investors looks for the comnination of higher returns and lower risk. Hence, there is an impact of market performance on sectorial wise performance and they are related to each other to some extent.

REFERENCES:

1) Finance.yahoo.com
2) moneycontrol.com