

ONLINE SHARE TRADING AND CAPITAL MARKET IN ANGEL STOCK BROKING LIMITED

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ABSTRACT

The capital market is designed to finance the long-term investments. The transactions taking place in this market will be for periods over a year. Herbert K. Dougall defines the term Capital Market as “a complex of institutions and mechanisms whereby intermediate term funds (Loans up to 10 years maturity) and long lean funds (longer maturity loans and corporate stocks) are pooled and made available to business, government and individuals and where instruments that are already outstanding are transferred.” The Capital Market is a medium through which small and scattered savings of investors are directed into productive activities of corporate entities. It also provides the essential attributes of liquidity, marketability, and safety of investments to the investors.

Keywords: Online Share Trading, Proposed Tools.

1. INTRODUCTION

Indian capital market is one of the oldest and largest capital markets of the world. Its history can be traced back to the 20th century. The first instance of organised trading in corporate securities in India is related to the trading in securities of East India Company.

There are 22 stock exchanges in India, the first being the Bombay Stock Exchange (BSE), which began formal trading in 1875, making it one of the oldest in Asia. Over the last few years, there has been a rapid change in the Indian securities market, especially in the secondary market. Advanced technology and online-based transactions have modernised the stock exchanges. In terms of the number of companies listed and total market capitalisation, the Indian equity market is considered large relative to the country's stage of economic development.

Fig. 1.1 Indian capital market

The changes in economic scenario (after the liberalisation) and the economic growth have raised the interest of Indian as well as Foreign Institutional Investors (FII's) in the Indian capital market. The recent massive structural reforms on the economic and industry front in the form of de-licensing rupee convertibility, tapping of foreign funds, allowing foreign investors to come to India, have resulted, on one hand, in the quantum leap in activities/volume in the Indian capital market, and on the other hand and more importantly, that the Indian capital market has undergone a metamorphosis in terms of institutions, instruments, etc. The capital market in India is rightly termed as an emerging and promising capital market. During last 21 years or so, the Indian capital market has witnessed growth in volume of funds raised as well as of. The buoyancy in the capital market has appeared as a result of increasing industrialisation, growing awareness globalisation of the capital market, etc. Several financial institutions, financial instruments, and financial services have emerged as a result of economic liberalisation policy of the Government of India.

2. REVIEW OF LITERATURE

ARTICLE: 1

TITLE: A Study On Evaluation Of Online Trading

Author: C K Gomathy

Source : International Research Journal of Engineering and Technology (IRJET)

A study on evaluation of online trading facilities with reference to financial services of various sectors. The main objective of the research was to evaluate the online trading facilities of which was carried out a period of specified deals. This paper study conducted is descriptive in nature and the sample size used for this study is 200. The method used for this study is Primary and secondary data collection method. For collecting the data structured questionnaire was used in this study. Percentage analysis and graphical representation were used for analyzing and interpretation. This paper mainly focuses on customer feedback and suggestions that would be useful to take necessary actions to solve them in a better manner. The findings revealed that most of the respondents are satisfied with the online trading facilities

provided by the organization. The work would surely help to forecasts the customer needs and help the company to take the necessary steps.

ARTICLE: 2

TITLE: Investor attitude towards online Trading and offline trading

Author: C.Navya, CH.Deepthi

Source: International Journal of Creative Research Thoughts (IJCRT) www.ijcrt.org

Online trading has emerged as one of the greatest and easiest ways to invest in shares by the investors. This study sheds light on how this online trade markets work and how they are satisfying their investors. It aims at studying the investor's perception of online trading in share market and helps to find out accessing the present level of service provided by identifying the areas which require attention for improving its services. Data collected shows that the investors have referred others to online share market. The share brokers may improve services of proper response from the dealer, putting the orders without delay. Online trade markets can issue the cheque to customer earlier it would increase the customer confidence. New account processing time can be completed within 3-4 days. Each new method of trade offers an opportunity for economic agents to compare its cost and benefits relative to the status quo, such evaluation motivates sorting across market segments and reshapes the whole market place. The internet provides an excellent example as it introduces substantial search cost saving over brick and mortar retail stores but imposes new obstacle for seller to convey quality using sports card trading as a case study, we provide experiential evidence

ARTICLE: 3

TITLE: A Study on Problems and Prospects of Online Stock Trading in Solan Town of Himachal Pradesh

Author: Arshia Bansal, Neha Kashyap, Piyush Mehta and Krishan Kumar Raina

Source: International Journal of Economic Plants 2018, 5(4):184-191

The study was conducted in Solan town of Himachal Pradesh, it explore various practices which can help to educate an investor so that problem of trading can be overcome and its scope can be highlighted. For this study, sample size was 120 which was taken from Solan town of Himachal Pradesh. The study was undertaken with the objective of understanding the advantages, disadvantages and future prospects of online trading. The study has observed that maximum respondents were of the age group 30-40 years and also observed that changes in the income reflect that more people start investing as their income increases. Government officials were largely inclined for investment options involving high risk investment. Eagerness was seen among the investors to at least get back the amount they had invested. The investors' seen to be satisfied by the types of choices available to them. New trading mechanism can be formed to allow the trading of stocks in the world's global companies. Non adopters can be encouraged to trade online by offering incentives. As hacking is very common in case of online trading so there is a need to review the security system.

SEARCH GAP:

A study on evaluation of online trading facilities with reference to financial services of various sectors .The main objective of the research was to evaluate the online trading facilities of which was carried out a period of specified deals

OBJECTIVES:

- ❖ To study the online share trading and capital market in india.
- ❖ To know why the companies go to new issue market.
- ❖ To know how the primary market intermediaries communicate companies and investors.
- ❖ To know the complete awareness of secondary market (stock exchanges like NSE, BSE).
- ❖ To know about the latest and future development in the stock exchange trading system.
- ❖ To study the investment pattern and it's related to risk and return, rates of return for efficient portfolios

3. RESEARCH METHODOLOGY

Need For The Study

One of the single best things you can do to further your education in trading commodities is to keep thorough records of your trades. Maintaining good records requires discipline, just like good trading. Unfortunately, many commodity traders don't take the time to track their trading history, which can offer a wealth of information to improve their odds of success most professional traders, and those who consistently make money from trading commodities, keep diligent records of their trading activity. The same cannot be said for the masses that consistently lose at trading commodities.

Losing commodity traders are either too lazy to keep records or they can't stomach to look at their miserable results. You have to be able to face your problems and start working on some solutions if you want to be a successful commodities trader. If you can't look at your mistakes and put in the work necessary to learn from them, you probably shouldn't be trading commodities.

Scope Of The Study:

- ❖ 'Investor can assess the company financial strength and factors that effect the company. Scope of the study is limited. We can say that 70% of the analysis is proved good for the investor, but the 30% depends upon market sentiment.
- ❖ The topic is selected to analyses the factors that affect the future EPS of a company based on fundamentals of the company.
- ❖ The market standing of the company studied in the order to give a better scope to the Analysis is helpful to the investors, share holders, creditors for the rating of the company.

Data Collection

The data collection methods include both the Primary and Secondary Collection methods.

1. Primary Collection Methods:

This method includes the data collected from the personal discussions with the authorized clerks and members of the Exchange.

2. Secondary Collection Methods:

The Secondary Collection Methods includes the lectures of the superintendent of the Department of Market Operations, EDP etc, and also the data collected from the News, Magazines of the NSE, BSE and different books issues of this study

Data Analysis Tools:-

For my project "Online Share trading and Capital Market" I took 8 (Bajaj Auto, Hero Motocorp, ICICI Bank, Axis Bank, Cipla, Dr. Reddy's, Infosys and Wipro) companies portfolios as sample for calculating the "Risk, Returns, Standard Deviation, covariance and correlation ". While I calculated these points I used some formulas as showed below:-

Required Return:- $Re = rf + B \cdot (rm - rf)$

$$\text{Variance} = \frac{1}{N-1} \sum (R - \bar{R})^2$$

$$\text{Standard Deviation} = \sqrt{\text{Variance}}$$

$$\text{cov}_{x,y} = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{N-1}$$

$$r_{xy} = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum (x_i - \bar{x})^2 \sum (y_i - \bar{y})^2}}$$

HYPOTHESIS OF THE STUDY

Hypothesis is a tentative proposition formulated for empirical testing. It is tentative, because its veracity can be evaluated only after it has been tested empirically. In our study, the hypothesis which had been adopted was Indian Capital Market Weak-form Efficient.

4. DATA ANALYSIS & INTERPRETATION:

STOCK MARKET

Company :BAJAJ AUTO LTD. 532977

Period: March 2022 to Apr 2023

TABLE – 4.1

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. Trades	of	Total Turnover (Rs.)
Apr-23	3690	3763.8	3577.65	3655.6	276322	20413		1013077138
Mar-23	3800	3973.2	3496.9	3671.7	768250	80562		2843138706
Feb-23	4050	4361.2	3778	3800.7	1090755	52829		4309326574
Jan-23	3431	4237.2	3412.3	4007.1	977256	97173		3797206472
Dec-22	3200	3472.35	3164.1	3447.2	605756	54971		2007128039
Nov-22	2895.1	3249.75	2823.35	3172.65	536455	51041		1627420133
Oct-22	2930	3130.6	2855	2886.45	774387	85007		2323222386
Sep-22	2977	3069	2831.4	2879.5	887653	65637		2614622435
Aug-22	3006	3158.75	2911	2971.35	516015	58797		1569972326
Jul-22	2850	3149.75	2793.2	3004.4	752666	81286		2228838171
Jun-22	2713	2978.05	2580.15	2825.6	544497	66228		1526046004
May-22	2590	2766.7	2363.25	2712.05	496862	53765		1289643940
Apr-22	2048.9	2653.75	2059	2627.75	437939	56302		1038010084
Mar-22	2905	2944	1793.1	2024.9	772239	69844		1859595098
Feb-22	3178.95	3315	2851	2890.45	325824	36149		1018173735
Jan-22	3185	3239	3005	3178.95	301445	33975		939461283
Dec-22	3185	3286	3145.05	3185.5	365284	25148		1179480285
Nov-22	3253	3289.5	3120.25	3176.05	303844	22627		973150201
Oct-22	2911	3255	2852.8	3246.75	399412	37050		1230869850
Sep-22	2785	3026.3	2690.15	2941.9	517596	35054		1493718255
Aug-22	2490	2814.45	2475.95	2788.1	456665	36181		1222768441
Jul-22	2845.8	2925	2400	2517.5	525162	38705		1388354626
Jun-22	2955.65	3078.55	2716.9	2828.15	362684	23474		1062037263
May-22	3008.7	3145.55	2903	2925.25	1379973	43870		4155985278
Apr-22	2955.7	3100	2836	2993.25	857864	26737		2517287320
Mar-22	2909.95	3045.25	2820	2915.05	722627	34671		2228180001



GRAPH – 4.1

INTERPRETATION

From the above table and graph March 2022 bajaj auto limited open price 2909.95 increased to 3690 in the year April 2023. The share value is increased and no. of trades also increases in March 2022, 34671 trades but Jan 2023 no of trades is 97173.

Company: HERO MOTOCORP LTD. 500182

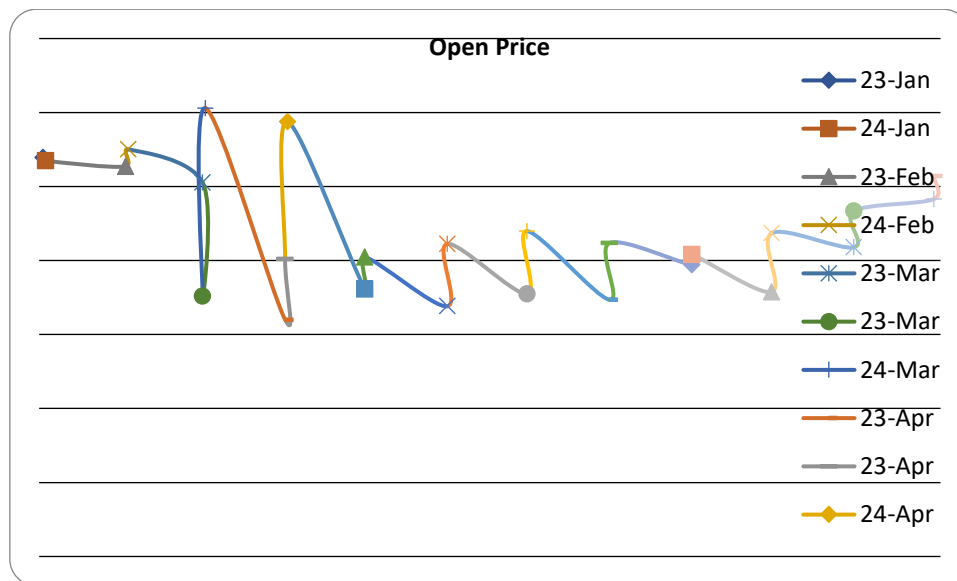
Period: Mar 2022 to Apr 2023

TABLE – 4.2

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr-23	2941	3003.75	2840.85	2911.8	322615	25299	945133493
Mar-23	3230	3514.2	2889.3	2915.15	822088	76751	2678625845
Feb-23	3301	3628.55	3069.15	3227.4	1106505	94838	3800989103
Jan-23	3114.05	3520	3031.1	3255.25	1141456	112410	3690350302
Dec-22	3150	3240	2900	3109.35	728333	69320	2272736867
Nov-22	2890	3158	2813.45	3104.65	1174849	124368	3536596894
Oct-22	3200	3393.85	2786.55	2799.8	1083460	105623	3348813932
Sep-22	3022.3	3222.6	2833.55	3145.85	1394157	91373	4166479283
Aug-22	2705	3179.55	2622.5	3007.1	1181778	122063	3426429756
Jul-22	2564	2887.5	2530.85	2677.2	989227	100692	2701035564
Jun-22	2370	2590.7	2233.4	2548.35	1327970	134204	3205542310
May-22	2080	2390.65	2035	2364.9	1169849	106234	2474264862
Apr-22	1594.2	2294	1544.9	2266.8	1069866	103167	2096786858
Mar-22	2075	2208.3	1475	1594.2	824131	87608	1486747574
Feb-22	2492.3	2530	2038	2048.1	973492	65846	2252445983
Jan-22	2460	2522	2311.4	2501.9	437880	41545	1063497924
Dec-22	2437	2484	2263.25	2443.85	766997	44363	1820546611
Nov-22	2706	2757.8	2423.7	2431.95	536373	38551	1371020037
Oct-22	2706.55	2751.15	2568.9	2705.25	639959	42232	1704679569
Sep-22	2575	3022.15	2515	2700.85	884739	61099	2414009943
Aug-22	2301	2725	2290.55	2571.85	867776	69045	2227744820
Jul-22	2594.2	2639	2228.25	2356.2	729483	62226	1776417337
Jun-22	2694	2873.95	2541.35	2584	564632	39362	1533628004
May-22	2520	2849	2476	2681.4	723934	47853	2010848784
Apr-22	2575	2759.9	2478	2512.65	797383	48827	2089296684
Mar-22	2660	2840	2517.2	2555.25	704670	48932	1878137151

Sep-22	407.95	458.45	384.6	433.4	25975989	243835	10858912611
Aug-22	423.7	427.6	385.8	410.4	25409681	178910	10392254560
Jul-22	439.7	441.95	401.9	424.5	24482854	162403	10398858531
Jun-22	422.55	443.85	407.85	437.25	8694992	96005	3684782347
May-22	404.6	437.9	375.05	423.4	25334942	220923	10170084227
Apr-22	402	410.65	385.1	407.75	13647495	106968	5424526723
Mar-22	351.8	402.7	350.1	398.85	31473075	165370	12013236812

GRAPH – 5.3



INTERPRETATION

From the above table and graph March 2022 ICICI Bank Limited open price 351.8 increased to 587.5 in the year April 2023. The highest share value is 587.5 in April 2023. No. of trades also increase in March 2022, 12013236812 trades but Feb 2023 no of trades are 17369755989.

5. CONCLUSION

Capital market is an innovation to cash market. Approximately its daily turnover reaches to the equal stage of cash market. The average daily turnover of the NSE derivative segments. In cash market the profit/loss of the investor depend the market price of the underlying asset. The investor may incur huge profits or he may incur huge profits or he may incur huge loss. But in derivatives segment the investor enjoys huge profits with limited downside. In cash market the investor has to pay the total money, but in derivatives the investor has to pay premiums or margins, which are some percentage of total money. Derivatives are mostly used for hedging purpose. In derivative segment the profit/loss of the option writer is purely depend on the fluctuations of the underlying asset.

6. REFERENCES

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