

A STUDY ON ONLINE SHARE TRADING & CAPITAL MARKETS

Akkelli Sravanthi¹, Mr. M. Nanda Kishore²

¹Department of Management Studies Aristotle PG College, Chilkur, Moinabad, Ranga Reddy District, Telangana, India.

Assistant Professor Aristotle PG College, Chilkur, Moinabad, Ranga Reddy District, Telangana, India.

DOI: <https://www.doi.org/10.58257/IJPREMS35022>

ABSTRACT

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 forecast the customer needs and help the company to take the necessary steps.

Keywords: Online Trading, E-Business Development, Business promoting.

1. INTRODUCTION

INTRODUCTION TO ONLINE TRADING

Before getting in to the online trading we should know some things about the internet, e-commerce and etc.

1. What is Internet?

Internet is a worldwide, self-governed network connecting several other smaller networks and millions of computers and persons, to mega sources of information. This technology shrinks vast distances, accelerating the pace of business reforms and revolutionizing the way companies are managed. It allows direct, ubiquitous links to anyone anywhere and anytime to build up interactive relationships.

A combination of time and space, called the Internet promises to bring unprecedented changes in our lives and business. Internet or net is an inter-connection of computer communication networks spanning the entire globe, crossing all geographical boundaries. It has re-defined the methods of communication, work study, education, business, leisure, health, trade, banking, commerce and what not it is virtually changing every thing and we are living in dot.com age. Net being an interactive two way medium, through various websites, enables participation by individuals in business.

Access to business and business to consumer commerce, visit to shopping arcades, games, etc. in cyber space even the information can be copied, downloaded and retransmitted.

The use of Internet has grown 2000 percent in last decade and is currently growing at 10 percent per month. In India, growth of Internet is of recent times. It is expected to bring changes in every functional area of business activity including management and financial services. It offers stock trading at a lower cost. Internet can change the nature and capacity of stock broking business in India.

E-commerce:

Electronic commerce is associated with buying and selling over computer communication networks. It helps conduct traditional commerce through new way of transferring and processing of information. Information is electronically transferred from computer to computer in an automated way. E-commerce refers to the paperless exchange of business information using electronic data interchange, electronic technologies. It not only reduces manual processes and paper transactions but also helps organization move to a fully electronic environment and change the way they operated.

PC's and networking attempts to introduce banks of the tools and technologies required for electronic commerce. The computers are either workstations of individual office works or serves where large databases and information reside. Network connects both categories of computers; the various operating systems are the most basis program within a computer. It manages the resources of the computer system in a fair and efficient manner.

Now we can enter in to the concept known as online trading.

In the past, investors had no option but to contact their broker to get real time access to market data. The net brings data to the investor on-line and net broking enables him to trade on a click of mouse. Now information has become easily accessible to both retail as well as big investor.

2. REVIEW OF LITERATURE

Bing Zhu (2012), The Effects Of Macroeconomic Factors On Stock Return Of Energy Sector In Shanghai Stock Market, International Journal of Scientific and Research Publications (Vol. 2, Issue-11), ISSN 2250-3153: The study aims at understanding the performance of arbitrage pricing theory (APT) in the Shanghai Stock Exchange. In finance, arbitrage pricing theory (APT) is a general theory of asset pricing that holds that the expected return of a financial asset. The research points out the fact that factors such as foreign reserve, exports, exchange rates, and unemployment rate have an impact on the returns of energy sector. As the foreign reserve increases by 1 point, the stock return of energy sector increases by 2.142004. This shows that foreign reserves have a positive direct impact on the returns of energy sector.

Domenico Celenza and Fabrizio Rossi (2012), The Relationship Between Intellectual Capital And Stock Market Performance: Empirical Evidence From Italy, Journal of Modern Accounting and Auditing (Vol. 8, Issue-11), ISSN 1548-6583: This study aims at providing a relation between the intellectual capital (IC) and returns of a company. It also aims at The accounting records are still incomplete inspite of the regulatory accounting standard. •evaluating the value of IC. It is limited in transmitting information that is slowly reflected in the prices of securities As the information arrives into the market, it becomes old. Compared to the degree of •of listed companies to the stock market. The beta factor does not explain the market value of firms and changes in stock prices. •circulation of information in the market, the financial indicators appear to be static. The conclusions stand true as, the financial statements, made at the end of the year; fail to inform the value of the firm. The speculation in the market also affects the investor's sentiment. The beta index indicates the systematic risks associated with the stocks and fails to elaborate the reason for changes in stock prices and market value of firms.

Kaushal A. Bhatt (2013), Investment and Trading Pattern of Individuals Dealing in Stock Market, The SIJ Transactions on Industrial, Financial & Business Management (IFBM) (Vol.1, Issue-02), ISSN: 2321 – 242X: The paper aims at studying the literacy and awareness of capital markets among investors regarding various investment avenues. To find and identify segments preferred more by the people and the influencing force behind the decision making, while investing in currently available options including stock markets. It concludes that investors are moving to new investment avenues such as equity market, mutual funds, bonds, and others like gold, land etc.

RESEARCH GAP:

This study focuses on the This difference goes to the broker as his/her profit for selling you the particular stock. Specialists are in charge of the coordination between bids and ask, so that the amount of the spread is kept at a minimum.

OBJECTIVES:

- It is to analyze the changes in trading after the exchange shifted from outcry to online trading system.
- It is to study the functions of Geojit Financial Services. through various departments.
- To know the online screen based trading system adopted by Geojit Financial Services and about its communication facilities. The appropriate configuration to set the network, which would link the Geojit Financial Services. to individual / members.
- To know about the latest and future development in the stock exchange trading system.

3. RESEARCH METHODOLOGY

Need For The Study

The present study to review the online trading procedure a case study of ONLINE TRADING at Geojit Financial Services Ltd., as the exchange has changed its trading from the outcry mode to online trading on 20th February 1997, there is need to assess the performance of the capital market.

Scope Of The Study:

The project is as a reference guide or as sources information. It gives the idea about the financial analysis of a firm.

- The main objective of the study was to the put into practical the theoretical aspect of the study into real life work experience.
- The study aims to the liquidity position of the firm. Ratio analysis has been used to analysis the financial position of the firm

- It deals with analysis and interpretation of data collected through the sources primary and secondary data. Graphs and diagrams and tabulations method is used to analyze and interpret the data collected.

Methodology

The data collection methods include both primary and secondary collection methods.

Primary method:

This method includes the data collected from the personal interaction with authorized members of Geojit Financial Services. Securities limited.

Secondary method:

The secondary data collection method includes:

- The lecturers delivered by the superintendents of respective departments.
- The brochures and material provided by Geojit Financial Services Ltd.
- The data collected from the magazines of the NSE, economic times, etc.

4. DATA ANALYSIS & INTERPRETATION

ICICI DIRECT:

- Account Opening:** Rs 750
 - Schemes:** For short periods Rs 750 is refundable against brokerage generated in a qtr. These schemes are introduced 3-4 times a year.
 - Demat:** NIL, 1st year charges included in Account Opening Plus a facility to open additional 4 DP's without 1st yr AMC. Only Rs 100 as linking charges per DP
 - Initial Margin :** Nil
 - Brokerage:** ICICI's brokerage rates are inclusive of Stamp duty (0.002%) for trading and 0.010% for delivery while service tax (10.2%) on BROKERAGE and turnover tax is EXTRA.

Delivery Vol per QTR	Brokerage	Square Vol P	Brokerage
< 10 lakhs	0.75%	< 50 lakhs	10% Both Sides
10 – 25 lakhs	0.70%	50 lakhs – 2 Cr	08% Both Sides
25 – 50 lakhs	0.55%	2Cr-5Cr	05% Both Sides
50 lakhs - 1 Cr	0.45%	5Cr- 10 Cr	04% Both Sides
1 Cr – 2 Cr	0.35%	10Cr -20 Cr	35% Both Sides
2 Cr – 5 Cr	0.30%	> 20 Cr	.03% Both Sides
> 5 Cr	0.25%	----	----

INDIABULLS:

Company Background:

India Bulls is a retail financial services company present in 70 locations covering 62 cities. It offers a full range of financial services and products ranging from Equities to Insurance. 450 + Relationship Managers who act as personal financial advisors.

Online Account Type:

- Signature Account:** Plain Vanilla Account with focus on Equity Analysis. The equity analysis is a paid service even for A/c holders.
- Power India bulls:** Account with sophisticated trading tools, low commissions and priority access to R.M.

PRICING OF IB ACCOUNTS

Signature Account	Power India Bulls
Account Opening: Rs 250	Account Opening: Rs 750
*Demat: Rs 200 if POA is signed	*Demat: Rs.200 if POA is signed
No AMC for this DP	No AMC for this DP
*Initial Margin: NIL	*Initial Margin: NIL

* Brokerage: Negotiable

* Brokerage: Negotiable

PAID Research:

SCHEME

WebBased-1-Month-500:

View & Print on Website

WebBased-1-Month-6000:

View & Print on Website

PrintReport-1-Month-750:

View & Print on Website

+ 10 Reports Delivered

PrintReport-1-Month-9000:

View & Print on Website

+ 10 Reports Delivered

FACILITY

Slab structure of Kotak

Delivery Vol p m	Brokerage*	SquareVol P.M	Brokerage **
< 1 lakhs	0.65%	< 10 lakhs	0.10% Both Sides
1 lakhs – 5 lakhs	0.60%	10 lakhs–25 lakhs	0.08% Both Sides
5 lakhs – 10 lakhs	0.50%	25 lakhs - 2 Cr	0.05% Both Sides
10 lakhs - 20 lakhs	0.40%	2 Cr - 5 Cr	0.04% Both Sides
20 lakhs – 60 lakhs	0.30%	> 5 Cr	0.035% Both Sides
60 lakhs - 2 Cr	0.25%	---do---	0.03% Both Sides
> 2	0.20%	----	----

Brokerage is inclusive of All Taxes Brokerage is inclusive of All Taxes DP Charges Extra ,Min Brokerage of Rs 0.05 per share

Min Brokerage of Rs 0.01 per share

Derivatives Vol off p m	Brokerage
< 2 Cr	0.07% Both Sides
2 Cr - 5.5 Cr	0.05% Both Sides
5.5 Cr – 10 Cr	0.04% Both Sides
> 10 Cr	0.03% Both Sides

* Brokerage is inclusive of All Taxes.

5PAISA

Company Background

Apart from offering online trading in stock market the company offers mutual funds online.

The number of players is increasing at a steady rate and today there are over a dozen of brokerage houses who have opted to offer net trading to their customers and prominent among them are Geojit Financial Services., India bulls, kotakstreet, ICICI direct and geojit. The Bombay stock exchange sensx zoomed past the 7700 barrier for the first time in history to achieve new all time high of 7800 intra day trade and ended at a historic close of 7732 points.

5. CONCLUSION

- Things have changed for the better with the Geojit Financial Services Ltd. going on-line coupled with endeavor to stream line the whole trading system, things have changed dramatically over the last 3 to 4 years. New and advanced technologies have breached geographical and cultural barriers, and have brought the countrywide market to doorstep.
- In the present scenario to compete with the Broker's would require sound infrastructure and trading as per international standards.
- The introduction of on-line trading would influence the investors resulting in an increase in the business of the exchange. It has helped the brokers handling a vast amount of transactions and this can be an efficient trading, delivering, settlement system with adequate protection to investors. The trading of Geojit Financial Services Ltd. of the first day was Rs. 1.8 crores.

-
- Due to invention of online trading there has been greater benefit to the investors as they could sell / buy shares as and when required and that to with online trading.
 - The broker's has a greater scope than compared to the earlier times because of invention of online trading.
 - The concept of business has changed today, this is a service oriented industry hence the survival would require them to provide the best possible service to the clients. .

6. REFERENCES

- [1] www.Geojit Financial Services Ltd..com
- [2] www.bseindia.com
- [3] www.sebi.com
- [4] www.moneycontrol.com
- [5] www.economictimes.com
- [6] www.nseindia.com
- [7] www..icicidirect.com
- [8] www.indiabulls.com
- [9] www.hdfcsecurites.com