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"A study on Effectiveness of Portfolio Management on various Sectors in Stock Market"

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ABSTRACT

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As for the study of the Article deals with portfolio management and investment, individual securities, may or may not take on the aggregate characteristics their individual parts. Portfolio analysis considers the determination of future risk and return in holding various blends of individual securities. By the help of spreading risk over many securities. Diversification of one's holding is intended to reduce risk in an economy in which every asset's return are subjected to uncertainty. Even the value of cash suffer from the roads of inflation. Most investors hopes that if they hold several assets even if one goes bad, the other will provide some protection from an extreme loss. The number of stock entering into any given efficient portfolio largely determined by boundaries. If any set on the maximum and minimum percentage can be devoted to any one security from the total portfolio. If this percentage (weight) is free to take on any values.

Keywords: securities, aggregate, determination, Diversification, uncertainty

CHAPTER- I

1.1 INTRODUCTION OF STUDY

A portfolio refers to a collection of investment tools such as stocks, shares, mutual funds, bonds, and cash and so on depending on the investor's income, budget and convenient time frame. A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts. Prudence suggests that investors should construct an investment portfolio in accordance with risk tolerance and investing objectives. Think of an investment portfolio as a pie that is divided into pieces of varying

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sizes representing a variety of asset classes and/or types of investments to accomplish a appropriate risk-return portfolio allocation.

CONCEPTUAL AND THEORETICAL REVIEW

Portfolio is a collection of investment all owned by same individual or organisation. These investments often include stock, which are investment in individual businesses; bonds, which are investment in debt that are designed to earn interest; and mutual funds which are essentially pools of money investors that are invested by professionals or according to indices.

The Portfolio Concepts and Management program lays the groundwork for the core principles of portfolio theory and investment performance measurement, offering the practical tools and experiences needed to make sound investment management decisions for your benefit fund. This 3½-day program offers lecture/discussion sessions, problem-solving exercises and small group breakout sessions. Build confidence in your ability to evaluate investments with a broad, fundamental understanding of investment products and practices.

PORTFOLIO MANAGEMENT

Portfolio management includes a range of professional services to manage an individual's and company's securities, such as stocks and bonds, and other assets, such as real estate. The management is executed in accordance with a specific investment goal and investment profile and takes into consideration the level of risk, diversification, period of investment and maturity (i.e. when the returns are needed or desired) that the investor seeks.

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In cases of sophisticated portfolio management, services may include research, financial analysis, and asset valuation, monitoring and reporting.

Portfolio management refers to managing an individual's investments in the form of bonds, shares, cash, mutual funds etc. so that he earns the maximum profits within the stipulated time frame. Portfolio management refers to managing money of an individual under the expert guidance of portfolio managers. Portfolio management presents the **best investment plan** to the individuals as per their income, budget, age and ability to undertake risks. Portfolio management **minimizes the risks** involved in investing and also increases the chance of making profits. Portfolio managers understand the client's financial needs and suggest the best and unique investment policy for them with minimum risks involved. Portfolio management enables the portfolio managers to **provide customized investment solutions** to clients as per their needs and requirements.

TYPES OF PORTFOLIO MANAGEMENT:

- **Active Portfolio Management:** As the name suggests, in an active portfolio management service, the portfolio managers are actively involved in buying and selling of securities to ensure maximum profits to individuals.
- **Passive Portfolio Management:** In a passive portfolio management, the portfolio manager deals with a fixed portfolio designed to match the current market scenario.
- **Discretionary Portfolio management services:** In Discretionary portfolio management services, an individual authorizes a portfolio manager to take care of his financial needs on his behalf. The individual issues money to the portfolio manager who in turn takes care of all his investment needs, paper work, documentation, filing

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and so on. In discretionary portfolio management, the portfolio manager has full rights to take decisions on his client's behalf.

TECHNIQUES OF PORTFOLIO MANAGEMENT:

Then, the stress would be on the key factors that are capable of measuring the performance of the portfolio like profit, beta, and different portfolio evaluation measures like Sharpe ratio, Jensen ratio and Treynor ratio. In order to start with any portfolio, the benchmark should be in the mind of the investor as to what does he expects out of this investment. Then, I would measure the performance of the portfolio for its regularity and its persistence. The key measures to be kept in mind when investing in the portfolios are correlation, covariance and risk taking ability (i.e. alpha). This might turn out to be quite an interesting theme, since a small change in correlation among the portfolios and the covariance.

CORE TRADING SYSTEM:

NSE's trading system, called National Exchange for Automated Trading (NEAT), is a state of-the-art client server based application. It has uptime record of over 99% with latency is in single digit millisecond level for all orders entered into the NEAT system The core trading applications of NSE run on fault tolerant servers sourced from Stratus Technologies.

Earlier generation of trading system was highly dependent on the growth of microprocessor industry for improved scalability. This was creating speed breakers in the growth demanded by Indian market participants. Each layer of trading system can be scaled up by adding more hardware to the layer. The re-architecting of the system has eased out meeting the ever growing capacity needs of Trading. This application extensively uses in-

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memory database technology to provide for performance needs expected from a Matching system. The matching engine response time can be measured in single digit millisecond for the thousands of transactions processed by the system every second

RISK MANAGEMENT:

Risk containment measures at NSE include capital adequacy requirements of members, monitoring of member performance and track record, stringent margin requirements, position limits based on capital, online monitoring of member positions and automatic disablement from trading when limits are breached. The margins for the member is calculated first for his clients and then grossed across clients to arrive at the member's margin. The methodology applied is based on the Value-at-Risk Methodology.

The risk management system computes positions and margins on a real time basis. The risk computation process consists of various stages starting with the initialization process in terms of receiving master's information, deposits of members and receiving on-line data loads from the trading system, computing the open positions and monitoring the violations on a real time basis. The risk parameters are computed 5 times a day based on the intra-day volatility. Final Margins are calculated using the end of day risk parameters calculated on end of day volatility.NSE introduced Cross Margining in 2008 to enhance liquidity.

CHAPTER- II

2.1. RESEARCH PROBLEM:

The lack of resources is part of the problem. The other side is the failure to allocate resources effectively. Here portfolio tools and methods are partly at fault, along with a lack of will on the part of senior management to cut back the number of active projects – to say "no" to some

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worthwhile initiatives. The fact is that most project selection and portfolio management methods do a poor job of resource balancing. Projects are evaluated, Go decisions are made, but resource implications are often not factored in. There are simply too many projects and not enough resources to do them well. This is a universal complaint within product development groups everywhere. The demand for more new products than ever coupled with corporate restructuring has helped to create this resource crunch.The equity segment uses this for the it's risk management whereas for derivative products Standard Portfolio Analysis of Risk (SPAN) is used. SPAN is a highly sophisticated, value-at-risk methodology that calculates performance bond/margin requirements by analysing the "what-if" of virtually any market scenario.

2.2. NEED OF THE STUDY.

Portfolio decision can be used to select best combination of securities and it can involve following process.

- To select the stock on the past performance basis.
- To evaluate the performance of securities return as compact with order return.
- To measure the standard deviation for the individual securities.
- To suggest and measure to the investor to select the security and increasing the performance return.

2.3. OBJECTIVE OF STUDY.

- To study on effectiveness of portfolio management on various sector in stock market.
- To study the investment pattern and its related risk and return of stock market.

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- To analysis the performance and to decide the effective portfolio selection.
- To help investor to choose the combination of companies in various sector in order to reducing risk and maximizing return.
- To analysis and select the effective portfolio t in stock market.

2.4. SCOPE OF STUDY.

This study covers the **reward to variability** ratio. Here in the study cover the calculation of different stock in stock market. Also the study includes the calculation of risk and return for individual securities involved in the portfolio. These study cover to investor select a right portfolio in stock market.

2.5. LIMITATION OF STUDY.

- From BSE and NSE listing a very scripts are selected and analysed.
- Construction of portfolio restricted to two asset based in the Markowitz model.
- Limited industries are only covered in the study.
- The data collection was strictly confined to secondary source no primary data is associated with the project.

CHAPTER III

REVIEW OF LITERATURE

3.1 EMPRICIAL REVIEW

Eldred, G (2009)

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Apart from this, other key options in investing are Futures contract which is like a contract where two parties trade a particular asset at a negotiated price at a fixed date. Also, these days, one of the most popular alternatives in investing is to shadow invest some of the popular investment firms which according to their experience and expertise invests in some of the best stocks in the market. These investment firms trade in a very versatile market ranging from money market funds, bond funds, common stock funds to balanced funds, index funds and exchange traded funds. According to Eldred, G (2009), in the current ever developing scenario, an option for investing has popped out by the name of real estate. Since, as the globalization is increasing, it is further leading to steep increase in the prices of real estates as the prices of the property are appreciating.

Chincarini, L, B, Kim, D, (2006)

In order to make a portfolio performance worthwhile considering, an investor has certain limitations in his mind which guides his/her performance. The mind frame of the investor determines the level of success; he/she is entitled to. Before investing his wealth into the stock market, an investor has certain expectations and limitations that channel his ambition in it. Since, it is well known, that the higher the risk the person is willing to take, the higher the return he would be entitled to. The most important factor that keeps on revolving in every investor's mind is the profit that he would be entitled to while investing in certain set of stocks. This profit might be in the form of dividends which are distributed to the investors or it might come when the stock is traded in the exchange. This thing is generally resembled in the form of financial health of the company which is easily gauged by the financial ratios of the organisation in comparison to its past and the industry competitors.

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Chorafas (2005)

According to Chorafas (2005), an equity stakeholder is a part owner of the company and anyone can become a part owner of the company since these shares are publicly traded in the market. These common stocks entitle the holder to have a chunk of the profit share of the organisation and this is variable depending upon the performance of the organisation. While, this might turn out to be a fruitful affair, it might even be dangerous if in case the company is liquidated, then these people are the last ones to get their money back. While, another option of investing is equity derivative, which like common shares entitles the holder to have a claim on the ownership of the organisation. This includes options which give the holder the power to choose as to buy, hold or sell the stock at a specified time and at a specified price.

Vinod and Reagle (2004)

According to Vinod and Reagle (2004), the most practical solutions offered for evaluation of a portfolio performance are Sharpe, Jensen and Treynor measures which are most commonly used by the investors to choose a list of stocks in the whole possible list of mutual funds. Sharpe measure is basically used so as to measure the surplus return per unit of risk being taken by the investor. An investor would prefer a portfolio with large Sharpe ratios as it is thought that any rational investor would like to minimise the risk on his investment.

Fabozzi (2002),

According to Fabozzi (2002), a fixed income security to be put in simple words is the monetary commitment of a firm to the investor so as to pay certain sum of money at some specified pre negotiated contract dates. Some of the main issuers of the U.K. government,

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local governmental councils and institutions that are huge in structure like IMF and World Bank. It generally falls under two basic categories, i.e. preferred stocks and debt obligations. A preferred stock fixed income security represents a chunk of ownership in the organisation. The repayment to the investor includes both the dividend on the ownership and the original fixed amount. The dividend is the part of the profit's generated by the organisation. Another kind is Debt obligation fixed income security. In this, the issuer is the borrower while the other half is called as lender. The payment given to the investor consists of interest and a part of the original investment returned.

Lyuu, Y, (2001)

If we imagine that the market portfolio is a portfolio consisting of all the risky assets, then the efficient frontier would be a line starting from the risk-less point and hitting the market portfolio. This line is termed as Capital Market line which depicts the relation between the expected rate of return and the risk. The prices of the stocks should be adjusted in such a manner that all the efficient portfolios fall on the efficient frontier. This is the basis of the theory called Capital Asset Pricing Model depending on the basis of risk adjusted returns**.**

Jorian, (2000)

The last factor for performance measurement that we consider over here is Value at risk. It is defined as the most horrible loss possible within a specified time frame at a given level of confidence. More formally, it is defined as the quantile of the projected distributions over a specified time frame of the gains and losses. It is generally suited for a short trading horizon and massive turnovers.

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Logue and Rader (1997)

Logue and Rader came forward with the concept that Sharpe measure is the most suitable ratio if the investor would like to adjust risk on his investment. While, Jensen (1969) developed a performance measure which stresses the relevance of relation between market risk and the return on the portfolio. It is measured as the difference between real return on the portfolio and the return on the whole market portfolio. Quite similar to this was Treynor measure, which gave the freedom to interpret the relativity between rewards to risk factor. A high treynor measure is preferred as compared to a smaller one.

Markowitz (1991)

According to Markowitz , a portfolio is more than just a list of stocks and bonds, it is a balanced set of investment which keeps in mind the risk seeking capability of the individual without negating the opportunities that are hidden in it and also bringing into notification the threats associated with it. The key to make a portfolio is to make one which suits the individual needs of the investor. This is generally done by analysing the portfolio. The primary information that can be used so as to make an efficient portfolio is the historical performances of the stocks in consideration. Another source of information can be the trust of experienced security analysts in the better performance of the share in future. When the historical performances are kept in mind while choosing the stocks, the outcome is a list of stocks that performed better than others in the past. While, in the latter case, the output is the list with stocks that analysts think would perform better.

\3.2.RESEARCH METHODOLOGY

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Research methodology is a way to find out the result of a given problem on a specific matter of problem that is also referred as research problem. In methodology, researcher uses different criteria for solving/searching the given problem. Different sources use different type of solving the problem. If we think about the word ‘’methodology’’, it is the way of searching or solving the research problem.

NATURE OF THE STUDY.

Basically my study is quantitative research type. The study cover from different sector for portfolio management.to find out the risk and return from the period of 2010 to 2014.

RESEARCH DESIGN.

Research design is a systematic planning, organising and executing a research project within specified time and resource allocation. My research is I have adopted cross sectional research. Research design tells the type of data to be collected, the sources of data and the procedures to be followed in data collection. Research design provides suitable framework that collection and analysis of data.

CROSS SECTIONAL STUDY:

A study can be undertaken in which data are gathered just once, perhaps over a period of days or weeks or months, in order to answer a research question. Such studies are called one-shot or cross-sectional studies.

QUANTITATIVE:

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A typical problem for a numerically oriented quantitative analyst would be to develop a model for pricing, risk-managing a complex derivative product. Mathematically oriented quantitative analysts tend to have more of a reliance on numerical analysis, and less of a reliance on statistics and econometrics. These quantitative analysts tend to be of the psychology that prefers a deterministically "correct" answer, as once there is agreement on input values and market variable dynamics, there is only one correct price for any given security

A typical problem for a statistically oriented quantitative analyst would be to develop a model for deciding which stocks are relatively expensive and which stocks are relatively cheap. The model might include a company's book value to price ratio, its trailing earnings to price ratio, and other accounting factors. An investment manager might implement this analysis by buying the under-priced stocks, selling the overpriced stocks, or both. Statistically oriented quantitative analysts tend to have more of a reliance on statistics and econometrics, and less of a reliance on sophisticated numerical techniques and object-oriented programming.

DATA COLLECTION:

SECONDARY DATA:

The present study based on the secondary data. The sources of secondary data are:-

- Internet
- Newspaper& magazines
- Company's annual report

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- Books and journal

SAMPLING DESIGN:

The project evaluates the portfolio management with different sector of the return and risk with help of most appropriate tool. I have chosen five sector on the basis of profit oriented in a stock market, and chose each sector has three top ranking company. As to analysis each company risk and return on the research oriented.

JUDGEMENT SAMPLING:

Judgement sampling is a type of non-random sampling, which is selected based on the opinion of an expert. Result obtained from a judgement sample are subject are subject to some degree of bias, due to the frame and people, etc. that define population to be studied.

TOOLS OF PORTFOLIO PERFORMANCE

- Portfolio risk & return.
- Standard deviation.
- Correlation coefficient.
- Sharpe ratio.
- Treynor ratio.
- Jensen's ratio.

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

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5.1 FINDINGS:

1. **Expected risk in IT sector on 3 companies.**

   Expected risk on INFOSYS 1.93,Expected risk on TCS 1.21,Expected risk on WIPRO 1.64

2. **Expected return in IT sector on 3 companies.**

   Expected return on Infosys 0.31,Expected return on TCS 0.85,Expected return on WIPRO 0.29

3. **Expected risk in BANKING sector on 3 companies.**

   Expected risk on SBI 0.90,Expected risk on INDIAN BANK 0.61,Expected risk on AXIS BANK 1.81

4. **Expected return in BANKING sector on 3 companies.**

   Expected return on SBI -0.32,Expected return on INDIAN BANK -0.23,Expected return on AXIS BANK -0.88

5. **Expected risk in PHARMACY sector on 3 companies.**

   Expected risk on CIPLA 1.79,Expected risk on DR REDDY 0.99,Expected risk on RANBAXY 1.58

6. **Expected return in PHARMACY sector on 3 companies.**

Expected return on CIPLA 0.57,Expected return on DR REDDY -0.14,Expected return on RANBAXY -0.65

7. **Expected risk in AUTO MOBILE sector on 3 companies.**

   Expected risk on ASHOK LEYLAND 0.53,Expected risk on MARUTHI SUZUKI 0.59,Expected risk on TATA MOTORS 1.13

8. **Expected return in AUTO MOBILE sector on 3 companies.**

   Expected return on ASHOK LEYLAND -1.23,Expected return on MARUTHI SUZUKI -0.53,Expected return on TATA MOTORS 0.58

9. **Expected risk in FMCG sector on 3 companies.**

   Expected risk on DABUR INDIA 1.01,Expected risk on EMAMI 2.47,Expected risk on MARICO 1.73

10. **Expected return in FMCG sector on 3 companies.**

    Expected return on DABUR INDIA 0.18,Expected return on EMAMI -0.99,Expected return on MARICO -0.29

11. **The combination of two portfolio risk and return in IT sector.**

    i. The combination two portfolio is INFOSYS and TCS RETURN is -0.67 and the portfolio RISK is -0.28

    ii. The combination two portfolio is INFOSYS and WIPRO RETURN is -0.37 and the portfolio RISK is -0.11.

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iii. The combination two portfolio is WIPRO and TCS RETURN is -1.35 and the portfolio RISK is -0.68

12. The combination of two portfolio risk and return in BANKING sector.

i. The combination two portfolio is SBI and INDIAN BANK RETURN is -0.01 and the portfolio RISK is -0.01

ii. The combination two portfolio is SBI and AXIS BANK RETURN is 0.61 and the portfolio RISK is 0.37

iii. The combination two portfolio is INDIAN BANK and AXIS BANK RETURN is -0.62 and the portfolio RISK is -0.56

13. The combination of two portfolio risk and return in PHARMACY sector.

i. The combination two portfolio is CIPLA and DR REDDY RETURN is -0.06 and the portfolio RISK is -0.03

ii. The combination two portfolio is CIPLA and RANBAXY RETURN is -1.46 and the portfolio RISK is -0.51

iii. The combination two portfolio is DR REDDY and RANBAXY RETURN is -0.49 and the portfolio RISK is -0.31

14. The combination of two portfolio risk and return in AUTO MOBILE sector.

i. The combination two portfolio is ASHOK LEYLAND and MARUTHI SUZUKI RETURN is 0.16 and the portfolio RISK is 0.51

ii. The combination two portfolio is ASHOK LEYLAND and TATA MOTORS RETURN is 0.46 and the portfolio RISK is 0.76

iii. The combination two portfolio is MARUTHI SUZUKI and TATA MOTORS RETURN is 0.23 and the portfolio RISK is 0.34

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15. The combination of two portfolio risk and return in FMCG sector.

i. The combination two portfolio is DABUR INDIA and EMAMI RETURN is 0.08 and the portfolio RISK is 0.03

ii. The combination two portfolio is DABUR INDIA and MARICO RETURN is 0.02 and the portfolio RISK is 0.01

iii. The combination two portfolio is EMAMI and MARICO RETURN is 0.89 and the portfolio RISK is 0.20

16. The combination of THREE COMPANIES portfolio return is 0.47 and the portfolio risk is 0.10 for a IT sector in three companies.
17. The combination of portfolio return is -0.46 and the portfolio risk is -0.29 for a BANKING sector in three companies.
18. The combination of portfolio return is 0.01 and the portfolio risk is 0.07 for a PHARMACY sector in three companies.
19. The combination of portfolio return is -0.38 and the portfolio risk is 1.12 for a AUTO MOBILE sector in three companies.
20. The combination of portfolio return is -0.36 and the portfolio risk is 1.10 for a FMCG sector in three companies.

21. Sharpe ratio performance analysis in five sector.

i. Sharpe ratio of IT sector in INFOSYS, TCS and WIPRO for 0.08, 0.28 and 0.07 respectively.Among this, the best performer of TCS Company.

ii. Sharpe ratio of BANKING SECTOR in SBI, INDIAN BANK and AXIS BANK for 0.20, 0.03 and 0.04 respectively. Among this, the best performer of SBI BANK.

iii. Sharpe ratio of PHARMACY sector in CIPLA, DR REDDY and RANBAXY for 0.15, 0.34 and 0.06 respectively. Among this, the best performer of DR REDDY Company.

iv. Sharpe ratio of AUTO MOBILE sector in ASHOK LEYLAND, MARUTHI SUZUKI and TATA MOTORS for 0.03, 0.05 and 0.24 respectively.Among this, the best performer of TATA MOTORS Company.

v. Sharpe ratio of FMCG sector in DABUR INDIA, EMAMI and MARICO for 0.07, 0.02 and 0.12 respectively. Among this, the best performer of MARICO Company.

22. Treynar ratio performance analysis in five sectors.

i. Treynar ratio of IT sector in INFOSYS, TCS and WIPRO for 0.24, 0.35 and 0.17 respectively. Among this, the best performer is TCS Company.

ii. Treynar ratio of BANKING sector in SBI, INDIAN BANK and AXIS BANK for 0.60, 0.01 and 0.07 respectively. Among this, the best performer of SBI BANK.

iii. Treynar ratio of PHARMACY sector in CIPLA, DR REDDY and RANBAXY for 0.20, 0.35 and 0.09 respectively. Among this, the best performer of DR REDDY Company.

iv. Treynar ratio of AUTO MOBILE sector in ASHOK LEYLAND, MARUTHI SUZUKI and TATA MOTORS for 0.02, 0.03 and 0.08 respectively. Among this, the best performer of TATA MOTORS Company.

v. Treynar ratio of FMCG sector in DABUR INDIA, EMAMI and MARICO for 0.06, 0.07 and 0.26 respectively. Among this, the best performer of MARICO Company.

23. Jenson's ratio performance in five sector.

i. Jenson's ratio of IT sector in INFOSYS, TCS and WIPRO for 0.10, 0.37 and 0.05 respectively. Among this, the best performer of TCS Company.

ii. Jenson's ratio of banking sector in SBI, INDIAN BANK and AXIS BANK for 0.04, 0.73 and 0.042 respectively. Among this, the best performer of INDIAN BANK.

iii. Jenson's ratio of PHARMACY sector in CIPLA, DR REDDY and RANBAXY for 0.28, 0.07 and 0.13 respectively. Among this, the best performer of CIPLA Company.

iv. Jenson's ratio of AUTO MOBILE sector in ASHOK LEYLAND, MARUTHI SUZUKI and TATA MOTORS for -1.29, -0.29 and 0.04 respectively. Among this, the best performer of TATA MOTORS Company.

v. Jenson's ratio of FMCG sector in DABUR INDIA, EMAMI and MARICO for 0.16, 0.92 and 0.14 respectively. Among this, the best performer of DABUR INDIA Company.

5.2 SUGGESTION:

After constructing the portfolio from different sector of industries we are able to find five portfolio. The risk and return of those portfolios can be ranked as follows:

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RANK	PORTFOLIO SET
I	INFOSYS, TCS & WIPRO.
II	CIPLA, Dr REDDY & RANBAXY.
III	DABUR, EMAMI, & MARICO.
IV	ASHOK LEYLAND, MARUTHI SUSUKI & TATA MOTORS.
V	SBI, INDIAN BANK & AXIS BANK.

After analysing portfolios are showing higher return for lesser risk. Therefore, investor can invest in those securities to earn a profit on a constructed portfolio. After doing the project work, it can be suggested to the investor that a portfolio should be constructed to minimize the risk and to yield maximum return when carefully analysed and constructed. But it not very easy to construct a portfolio. This requires a lot of expertise, analytical skill and a good understanding of marketing condition.

1. Select the investment on the basis of economic ground.
2. Buy stock with disparity and discrepancy between the situation of the firm – and expectation and appraisal of the public.
3. Buy stock in companies with potential for surprises.
4. Take advantage of volatility before reaching a new equilibrium.
5. Listen to rumors and tips, check for yourself.
6. Don't put trust in only investment. It is like putting all the eggs in one basket. This will help lessen the risk in the long term.

7. The investor must select the right advisory body which is has sound knowledge about the product which they are offering.
8. Professionalized advisory is the important feature to the investor, professionalized research, analysis which will be helpful for reducing any kind of risk to overcome.

5.3 CONCLUSIONS:

The securities market is growing big as investor are getting awareness toward the share market. Share market game, something as gambling and few say to play wise. There are so many perception toward these stock markets. Whatever people say but investors keep on investing. If some precautions are taken, investor can be survived from hug losses. The main aim of every investor should be safety to his/ her investment after that if he/she requires return that could being them fruits. If further an investor goes with good analysis and market watch he can give more. If investor cannot have those qualities then they can better prefer mutual fund where experts opinion will be there. However, the study brings an idea that how to select the companies and how to invest and to construct the portfolios.

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