A Project Report on

"EDUCATING PEOPLE TO KNOW ABOUT STOCK MARKET"

A SPECIAL FOCUS TO ANGUL DISTRICT

(Submitted for MBA in Biju Patnaik Institute of Information Technology & Management, Affiliated to Biju Patnaik University of Technology.)

SAMBIT SASANK MISHRA

Registration No.: 2006258173

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Guided By- PRASANT KUMAR ROUT

(Asst. Prof. information technology)

Biju Patnaik Institute of Information Technology & Management Studies

Estd. 1999

INTERNAL GUIDE CERTIFICATE

This is to certify that **SAMBIT SASANK MISHRA** Regd.-2006258173 has completed his work on the topic "**EDUCATING PEOPLE TO KNOW ABOUT STOCK MARKET A SPECIAL FOCUS TO ANGUL DISTRICT**" and has submitted the report in partial fulfillment of 2 years full time course **MASTER OF BUSINESS ADMINISTRATION** for the academic year **2020-2022** under my guidance and direction.

The said report is based on bona-fide information and not submitted for the award of any degree/diploma of any other university/institution.

Date:
Place: Bhubaneswar

Prof. Prasant kumar Rout
Dept. of IT (BIITM)

ACKNOWLEDGEMENT

I would like to thank Mr. Prasant Kumar Rout, Assistant professor (IT) who guided to complete this project successfully. His valuable instructions and contribution led to complete this project within the stipulated period.

I would also like to extend my gratitude to the Principal, Dean and special thanks to the placement Head for providing me such wonderful opportunity.

Further, I would like to extend my thanks to my peers and friends who helped me with their valuable suggestions and guidance that has been helpful in completing the project.

EXECUTIVE SUMMARY

This project is an attempt to understand the basics of stock market. A project, which will make me well, versed with the market happenings ups & downs in the stock market. The first chapter gives a brief description about the company where I did my internship from, which is SHINE PROJECTS.

Shine Projects is approved by National Skill Development Corporation (NSDC) & Skill India as a Training & Education company.

The following chapter explains about the formation & company composition of India The chapter also gives a detailed report of my summer internship done at the company. It gives the jobs assigned to me at work, followed by the methods, which I undertook in going about my internship.

The following chapter two will give the details & explain in brief the basics of capital market. It will show in details the way stocks are traded, cleared & settled in the market using different techniques. Further the chapter covers the trading in India the importance of stock market to the economy.

The next chapter gives the detail as to how I went about completing my project.

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Chapter 1

INTRODUCTION

INTRODUCTION

Rural people face numerous constraints in accumulating assets from their savings. Lack of financial literacy and available investment avenues make it challenging for rural investors. Most of the time, due to lack of guidance, the savings are kept idle. As the financial literacy among rural people due to less concentration by market intermediaries than cities, their motive will be safety rather than taking advantage of financial opportunities. This study analyses the impact of Financial Literacy initiatives by the Government of India, Market Intermediaries and self-regulatory organizations focus on rural investor population is ascertained based on opinions collected using well-structured questionnaire among rural investors.

In any household, the financial security is vital as it helps not only smooth consumption, but also to deal with emergencies. Most of the rural savings go into informal savings avenues like gold, chit funds and real estates and most predominantly bank deposits.

Stock market is a place where people buy/sell shares of publicly listed companies. It offers a platform to facilitate seamless exchange of shares. In simple terms, if someone wants to sell shares of Reliance Industries, the stock market will help him to meet the seller who is willing to buy Reliance Industries.

However, it is important to note that a person can trade in the stock market only through a registered intermediary known as a stock broker. The buying and selling of shares take place through electronic medium. We will discuss more about the stock brokers at a later point.

HISTORY OF STOCK MARKET IN INDIA

Indian Stock Markets is one of the oldest in Asia. Its history dates back to nearly 200 years ago. The earliest records of security dealings in India are meager and obscure. The East India Company was the dominant institution in those days and business in its loan securities used to be transacted towards the close of the eighteenth century.

By 1830's business on corporate stocks and shares in Bank and Cotton presses took place in Bombay. Though the trading list was broader in 1839, there were only half a dozen brokers recognized by banks and merchants during 1840 and 1850. The 1850's witnessed a rapid development of commercial enterprise and brokerage business attracted many men into the field and by 1860 the number of brokers increased into 60. In 1860-61 the American Civil War broke out and cotton supply from United States to Europe was stopped; thus, the 'Share Mania' in India began. The number of brokers increased to about 200 to 250.

At the end of the American Civil War, the brokers who thrived out of Civil War in 1874,
found a place in a street (now appropriately called as Dalal Street) where they would conveniently assemble and transact business. In 1887, they formally established in Bombay, the "Native Share and Stock Brokers' Association", which is alternatively known as "The Stock Exchange". In 1895, the Stock Exchange acquired a premise in the same street and it was inaugurated in 1899. Thus, the Stock Exchange at Bombay was consolidated.

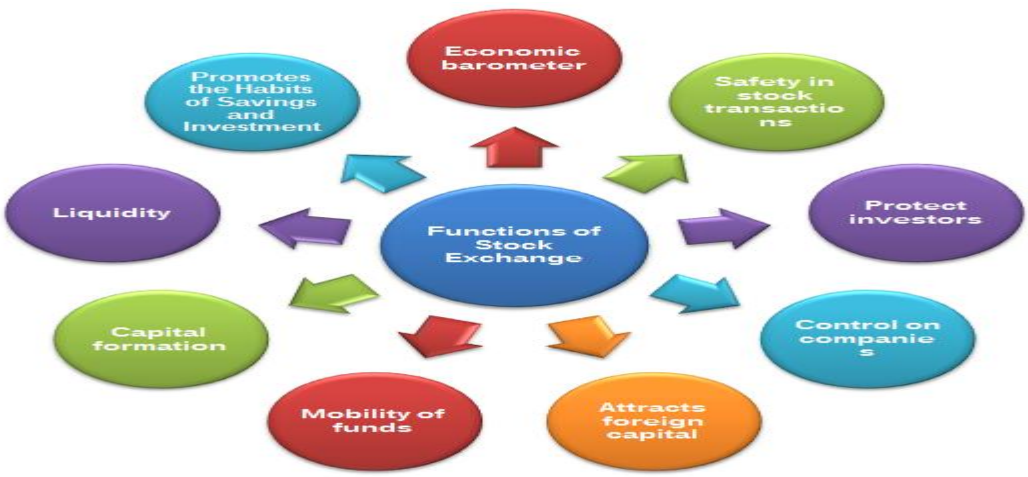
After independence, government took keen interest to regulate the speculative nature of stock exchange working. In that direction, securities and Contract Regulation Act 1956 was passed, this gave powers to Central Government to regulate the stock exchanges. Further to develop secondary markets in the country, stock exchanges established at Mumbai, Chennai, Delhi, Hyderabad, Ahmedabad and Indore. The Bangalore Stock Exchange was recognized in 1963. At present there are 23 Stock Exchanges. Till recent past, floor trading took place in all Stock Exchanges.

In the floor trading system, the trade takes place through open outcry system during the official trading hours. Trading posts are assigned for different securities where by and sell activities of securities took place. This system needs a face – to – face contact among the traders and restricts the trading volume. The speed of the new information reflected on the
prices was rather than the investors.

The Setting up of NSE and OTCEI (Over the counter exchange of India with the screen based trading facility resulted in more and more Sock exchanges turning towards the computer
based trading.

The principal functions of the stock markets are:

A- Enabling mobilizing resources for investment directly from the Investors.
B- Providing liquidity for the investors and monitoring.
C- Disciplining company management.



Technological Enhancement

Technology has had a massive impact on our lives and is generally regarded to have improved our social lives, businesses, governments and education. Unless you are a broker or an investor not much thought is given as to the impact technology has had on the productivity of The Stock Market.

Most of these issues saw a massive outcry from most brokers who saw this as manipulation of the market.

As a result, there was a gradual shift from the ring trading system to a more sophisticated screen trading system which had already been adopted by Wall Street at the time.

Financial markets have changed in many ways thanks to the technological advancements and regulatory changes. Stock markets have evolved quite a bit through the use of communication technologies and rapid improvement physical infrastructure. The implications of massive high frequency trading are becoming increasingly clear in equity and other financial markets.

Computer-based trading, including algorithmic trading (AT) and high frequency trading (HFT), have become predominant features of modern financial markets.

In recent years, high frequency trading has increased vastly in stock markets of developed countries, and it is now spreading to emerging markets driven by the growth of proprietary trading firms and quantitative hedge fund strategies.

As technology develops, high frequency trading will move beyond equity markets to other asset classes such as futures, options, bonds and foreign exchange.
In recent years, high frequency trading has increased vastly in stock markets of developed countries, and it is now spreading to emerging markets driven by the growth of proprietary trading and quantitative hedge fund strategies.

Actually, banks, brokers, corporates and financial institutions are seen as regular participants to hedge, speculate or arbitrage in the market. Thus, it has become necessary to ensure adequate depth in markets.

In India, the participation in the derivative segment has been picking up pace, helping maintain liquidity and provide enough depth. However, most F&O trading takes place in Nifty and Bank Nifty, which have enough depth to create big positions.

Undoubtedly, new strategies such as HFT and algo trading can improve the quality of markets, ensure greater liquidity, narrow spreads and increase efficiency. Recent developments in machine learning technologies hold promise in analysing data more rapidly and accurately. The success of HFT and algo trading demonstrated the value of machine learning techniques as they created efficient markets by facilitating price formation, lowering cost of trading and improving linkages among markets.

Undeniably, we are headed towards a phase various advance technologies. Complex strategies, algo trading and HFT, to name a few, have always drawn strict vigil of the regulators for their possible impact on market integrity and stability.

Market regulator Sebi and the stock exchanges have been continuously monitoring the capital markets and coming out with initiatives to encourage investors. And the steps taken by Sebi so far have actually helped increase participation in the Indian mar ..

India needs to accept tech advancement as the new form of evolution

The '2020 Depression' was caused not only due to just Covid-19 but also by the world leaders' inability to contain the virus and a lack of foresight.

While the personal loss suffered by the victims and their loved ones is incalculable, the damage to the global economy has not been anything shy of disastrous either.

During the pandemic, the entire value-chain that is the backbone of an economy was disrupted, the labour force was drastically cut down and as the developed countries faced an economic downturn, a domino effect, combined with a vicious cycle that continuously shrank economic output, led to a global depression.

The tech industry, however, didn't just endure this affair, but thrived. With an urgent need to maintain distance for consumers and businesses alike, a need to adapt to the network and be a part of the IoT emerged.

For businesses, having to reconsider and invest in technology was nothing short of an ultimatum against their very survival.

The second half of 2021 saw a boom for tech industry entrepreneurs to aid in the movement of conventional businesses to integrate technology into their business in the form of communication, manufacturing and distribution development. These immense opportunities for tech founders and unicorn companies do, however, come with accompanying execution pressure.

In India, profitability is still a far-fetched goal for most startups despite witnessing decent growth in revenue. It is essential not to let the desire for short-term profitability and a quick payout hinder the development of what could prove to be the pioneers of the next industrial revolution.

It is essential during this period that founders and investors look towards long-term profitability. Very few Indian unicorns have touched $100 million revenue and there will be immense pressure on these companies to perform. We have all seen that private markets & public markets treat valuations differently.

IPOs will likely prove to be a truly vital element of investment and long-term growth for private institutions. As the need for capital increases, so too, will the demand for short-term negative cash flow to ensure maximum utilisation of finances.

As 2022 approaches, we are experiencing more and more need for new talent and unorthodox approaches towards development. This will also require the government to alleviate the restrictions for the business industry.

The government holds a responsibility to its citizens to ensure that they opt to create and add value to goods and services in India only, instead of migrating to and working for other countries they believe will recognise their talents better.

With the second-biggest network of web users with over 680 million subscribers, India will prove to be extremely friendly to creative and talented founders, provided that we, as a country, start accepting technological advancements as the new form of evolution, and ethically work as a community to nurture creativity and intelligence.

These technological advancements led to high volumes of trades being executed every day which was mostly dominated by BSE. However, BSE had a low level of transparency and poor clearing and settlement systems which caused an increase in a number of fraudulent cases at that time on Dalal Street. Hence, in 1988 this gave rise to SEBI as a financial regulator.

RESEARCH DESIGN

Title of the research topic: -

Educating people to know about stock market

Objectives of Study: -

- To conduct an assessment of how stock markets in india has evolved over the years.
- To present the stock market usage pattern
- To analyse the stock market trends

RESEARCH METHODOLOGY

Types of research: -

Descriptive as well as explanatory research has been used to complete the project. This research is based on secondary survey reports & analytics. This also has collective primary data from a survey whose variables are uncontrollable & independent.

Data collection: -

Primary data of research are collected through an online survey questionnaire from the students of BIITM & other educational institutions as well.

Secondary Data which are used for research to know the analytics, study. Facts & theories are collected from already available resources like mainly internet and other sources.

Sampling technique: -

Multi-stage sampling is used for the research project, simple random and stratified sampling technique have been combined.

Sample size: -
100 respondents have been selected as sample size for research.

Data analysis: -

Pie charts, tables and graph charts have been used for representation.

LIMITATIONS: -

The study/research has some limitations: -

- Its content is partially retrieved from sources like internet, previous surveys report and some anonymous articles.
- In the survey, respondents may be careless and may not give correct answer to the questions, because of any reasons.
- The data and the report have been collected & prepared respectively during the period of COVID-19 lockdown. So, sources of data collection were capped to a certain reach.
- Some part of the target population chose not to respond.
- The secondary data weren't to the exact need and hence was needed to be exfoliated.

CHAPTER -2

INDUSTRY ANALYSIS

ANALYSIS OF STOCK MARKET :–

Stock market analysis enables investors to identify the intrinsic worth of a security even before investing in it. All stock market tips are formulated after thorough research by experts. Stock analysts try to find out activity of an instrument/sector/market in future.

By using stock analysis, investors and traders arrive at equity buying and selling decisions. Studying and evaluating past and current data helps investors and traders to gain an edge in the markets to make informed decisions. Fundamental Research and Technical Research are two types of research used to first analyze and then value a security.

Why is Stock Market Analysis important?

Performing a research before making an investment is a must. It is only after a thorough research that you can make some assumptions into the value and future performance of an investment. Even if you are following stock trading tips, it ideal to do some research, just to ensure that you are making an investment that's expected to get you maximum returns.

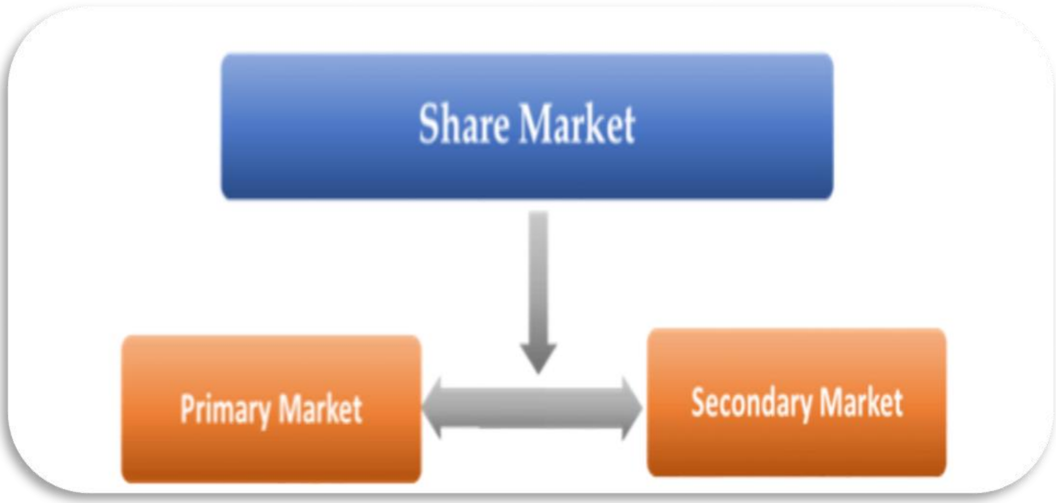
When you invest in equity, you purchase some portions of a business expecting to make money upon increase in the value of the business. Before buying anything, be it a car or phone, you do some degree of research about its performance and quality. An investment is no different. It is your hard earned money that you are about to invest, so you must have a fair knowledge of what you are investing in.

CHAPTER- 3

ANALYSIS OF VARIOUS TYPES OF STOCK MARKETS

Types of Share Markets

There are two kinds of share markets.



Primary Share Market

It is in the primary market that companies register themselves to issue their shares and raise money. This process is also known as listing on the stock exchange. The purpose of entering into the primary market is to raise money and if the company is selling their shares for the very first time it is referred to as the Initial Public Offering (IPO). Through this process, the company becomes a public entity.

Secondary Share Market

The shares of a company are traded in the secondary market once the new securities are sold in the primary market. This way investors can exit by selling their shares. These transactions that take place in the secondary market are called trades. It involves the activity of investors buying from each other and selling amongst themselves at an agreed-upon price. A broker is an intermediary that facilitates these transactions.

TYPES OF STOCK EXCHANGES :-

The two major stock exchanges in India are:-

1- National Stock Exchange (NSE)
2- Bombay Stock Exchange (BSE)

National Stock Exchange (NSE)

National Stock Exchange With the liberalization of the Indian economy, it was found inevitable to lift the Indian stock market trading system on par with the international standards. On the basis of the recommendations of high powered Pherwani Committee.

The National Stock Exchange was incorporated in **1992** by Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India, all Insurance Corporations, selected commercial banks and others.

The National Stock Exchange (NSE) is India's leading stock exchange covering various cities and towns across the country. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practices and procedures.

Bombay Stock Exchange (BSE)

It was established in 1875, is India's oldest stock exchange and holds the reputation of being the 11th largest market capitalisation value globally. It was founded by Premchand Roychand as the Native Shares and Stock Brokers' Association and is now managed by Sethurathnam Ravi. Based in Mumbai, the Bombay Stock Exchange has close to 6,000 companies listed on it and is comparable to stock exchanges in New York, London, Tokyo, and Shanghai.

BSE revamped the country's financial infrastructure and has given a much-needed boost to India's capital markets. BSE has also provided a platform for SMEs to engage in equity trading. Over time, it has extended its offerings to include clearing, risk management, and settlement services

NATIONAL STOCK EXCHANGE

In India, there are two major stock exchanges – NSE or National Stock Exchange & BSE or Bombay Stock Exchange. BSE is the oldest stock exchange in Asia & NSE is the largest in the country.

The National Stock Exchange (NSE) is a stock exchange set up in India. It was set up in **November 1992**, NSE was India's first fully automated electronic exchange with a nationwide presence. It consists of 20 financial institutions including state-owned banks and insurance companies among its shareholders.

Vikram Limaye is the MD & CEO of NSE.

The Headquartered of NSE is in Mumbai.

NSE offers capital raising opportunities for corporations and a trading platform for equities, debt, and derivatives – including currencies and mutual fund units. It allows new listings, IPOs, debt issuances, and IDRs by overseas companies for raising capital in India.

NSE has a total market capitalization of more than US$2.27 trillion, making it the world's 11th-largest stock exchange as of April 2018. NSE's flagship index, the NIFTY 50, the 50 stock index is used extensively by investors in India and around the world as a barometer of the Indian capital markets. Nifty 50 indexes were launched in 1996 by the NSE.

NSE Markets

NSE offers trading and investment in the following segments

- Equity
- Equities
- Indices
- Mutual Funds
- Exchange-Traded Funds
- Initial Public Offerings
- Security Lending and Borrowing Scheme etc.
- Derivatives
- Equity Derivatives (including Global Indices like CNX 500, Dow Jones and FTSE)
- Currency Derivatives
- Commodity Derivatives
- Interest Rate Futures
- Debt
- Corporate Bonds
- Equity Derivatives

The National Stock Exchange of India Limited (NSE) commenced trading in derivatives with the launch of index futures on 12 June 2000. The futures and options segment of NSE has made a global mark.

In the Futures and Options segment, trading in NIFTY 50 Index, NIFTY IT index, NIFTY Bank Index, NIFTY Next 50 index and single stock futures are available. Trading in Mini Nifty Futures & Options and Long term Options on NIFTY 50 are also available. NSE is the first Indian exchange to launch global indices.

On 3 May 2012, the National Stock exchange launched derivative contracts (futures and options) on FTSE 100, the widely tracked index of the UK equity stock market. This was the first of its kind of an index of the UK equity stock market launched in India. FTSE 100 includes 100 largest UK listed blue-chip companies and has given returns of 17.8 percent on investment over three years. The index constitutes 85.6 percent of the UK's equity market cap.

On 10 January 2013, the National Stock Exchange signed a letter of intent with the Japan Exchange Group, Inc. (JPX) on preparing for the launch of NIFTY 50 Index futures, a representative stock price index of India, on the Osaka Securities Exchange Co., Ltd. (OSE), a subsidiary of JPX.

In August 2008, currency derivatives were introduced in India with the launch of Currency Futures in USD–INR by NSE. It also added currency futures in Euros, Pounds, and Yen. The average daily turnover in the F&O Segment of the Exchange on 20 June 2013 stood at ₹419.2616 billion (US$6.1 billion) in futures and ₹273.977 billion (US$4.0 billion) in options, respectively.

<u>Interest Rate Futures</u>

In December 2013, stock exchanges in India received the approval from SEBI for launching interest rate futures (IRFs) on a single GOI(Government of India) bond or a basket of bonds that will be cash-settled. NSE will launch the NSE Bond Futures on highly liquid 7.16 percent and 8.83 percent 10-year GOI bonds. Interest Rate Futures were introduced in India by NSE on 31 August 2009, one year after the launch of Currency Futures. NSE became the first stock exchange to get an approval for interest-rate futures, as recommended by the SEBI-RBI committee.

<u>Debt Market</u>

On 13 May 2013, NSE launched India's first dedicated debt platform to provide a liquid and transparent trading platform for debt-related products.

The Debt segment provides an opportunity for retail investors to invest in corporate bonds on a liquid and transparent exchange platform. It also helps institutions who are holders of corporate bonds. It is an ideal platform to buy and sell at optimum prices and help Corporates to get adequate demand when they are issuing the bonds.

Trading Schedule of NSE

Trading on the equities segment takes place on all days of the week (except Saturdays and Sundays and holidays declared by the Exchange in advance). The market timings of the equities segment are:

<u>Pre-open session:</u>

modification Open: 09:00 hrs

modification Close: 09:08 hrs

<u>Regular trading session</u>

Normal/Retail Debt/Limited Physical Market Open: 09:15 hrs

Normal/Retail Debt/Limited Physical Market Close: 15:30 hrs

Exchange-Traded Funds and Derivatives on NSE

The following products are trading on NIFTY 50 Index in the Indian and international Market:

7 Asset Management Companies have launched exchange-traded funds on NIFTY 50 Index which is listed on NSE

15 index funds have been launched on NIFTY 50 Index

ULIPs have been launched on NIFTY 50 Index by several insurance companies in India

Derivatives Trading on NIFTY 50 Index:

Futures and Options trading on NIFTY 50 Index

Trading in NIFTY 50 Index Futures on Singapore Stock Exchange(SGX)

Trading in NIFTY 50 Index Futures on Chicago Mercantile Exchange(CME)

<u>Technological Advancement Of NSE</u>

NSE has taken huge strides in technology in these 20 years. In 1994, when trading started, NSE technology was handling 2 orders a second. This increased to 60 orders a second in 2001. Today NSE can handle 1,60,000 orders/messages per second, with infinite ability to scale up at short notice on demand, NSE has continuously worked towards ensuring that the settlement cycle comes down. Settlements have always been handled smoothly.

NSE is a Stock exchange in India which was established for providing Nation Wide Facility for equity, debt instruments & hybrid instruments. It ensures equal access to investors all over the country through an appropriate communication network.

BOMBAY STOCK EXCHANGE

BSE Limited, also known as the Bombay Stock Exchange (BSE), is an Indian stock exchange located on Dalal Street in Mumbai. Established in 1875 by cotton merchant Premchand Roychand, a Rajasthani Jain businessman,[5] it is the oldest stock exchange in Asia,[6] and also the tenth oldest in the world.[7] The BSE is the 9th largest stock exchange with an overall market capitalisation of more than **276.713 lakh crore**, as of January 2022.

History

Bombay Stock Exchange was started by Premchand Roychand in 1875.While BSE Limited is now synonymous with Dalal Street, it was not always so. In the 1850s, five stock brokers gathered together under a Banyan tree in front of Mumbai Town Hall, where Horniman Circle is now situated. A decade later, the brokers moved their location to another leafy setting, this time under banyan trees at the junction of Meadows Street and what was then called Esplanade Road, now Mahatma Gandhi Road. With a rapid increase in the number of brokers, they had to shift places repeatedly. At last, in 1874, the brokers found a permanent location, the one that they could call their own. The brokers group became an official organization known as "The Native Share & Stock Brokers Association" in 1875.

The Bombay Stock Exchange continued to operate out of a building near the Town Hall until 1928. The present site near Horniman Circle was acquired by the exchange in 1928, and a building was constructed and occupied in 1930. The street on which the site is located came to be called Dalal Street in Hindi (meaning "Broker Street") due to the location of the exchange.

On 31 August 1957, the BSE became the first stock exchange to be recognized by the Indian Government under the Securities Contracts Regulation Act. Construction of the present building, the Phiroze Jeejeebhoy Towers at Dalal Street, Fort area, began in the late 1970s and was completed and occupied by the BSE in 1980. Initially named the BSE Towers, the name of the building was changed soon after occupation, in memory of Sir Phiroze Jamshedji Jeejeebhoy, chairman of the BSE since 1966, following his death.

In 1986, the BSE developed the **S&P BSE SENSEX index**, giving the BSE a means to measure the overall performance of the exchange. In 2000, the BSE used this index to open its derivatives market, trading S&P BSE SENSEX futures contracts. The development of S&P BSE SENSEX options along with equity derivatives followed in 2001 and 2002, expanding the BSE's trading platform.

On 12 March 1993, a car bomb exploded in the basement of the building during the 1993 Bombay bombings.

Historically an open outcry floor trading exchange, the Bombay Stock Exchange switched to an electronic trading system developed by Cmc ltd. in 1995. It took the exchange only 50 days to make this transition. This automated, screen-based trading platform called BSE On-Line Trading (BOLT) had a capacity of 8 million orders per day. Now BSE has raised capital by issuing shares and as on 3 May 2017 the BSE share which is traded in NSE only closed with 999.

The BSE is also a Partner Exchange of the United Nations Sustainable Stock Exchange initiative, joining in September 2012.

BSE launches commodity derivatives contract in gold, silver.

How does the National Stock Exchange Work?

The Futures and Options Trading System provides a fully automated trading environment for screen-based, floor-less trading on a nationwide basis and an online monitoring and surveillance mechanism. The system supports an order driven market and provides complete transparency of trading operations.

Orders, as and when they are received, are first time stamped and then immediately processed for potential match. If a match is not found, then the orders are stored in different 'books'. Orders are stored in price-time priority in various books in the following sequence:

- Best Price
- Within Price,
- by time priority.

Order Matching Rules

The best buy order will match with the best sell order. An order may match partially with another order resulting in multiple trades. For order matching, the best buy order is the one with highest price and the best sell order is the one with lowest price. This is because the computer views all buy orders available from the point of view of a seller and all sell orders from the point of view of the buyers in the market. So, of all buy orders available in the market at any point of time, a seller would obviously like to sell at the highest possible buy price that is offered. Hence, the best buy order is the order with highest price and vice-versa.

Members can pro actively enter orders in the system which will be displayed in the system till the full quantity is matched by one or more of counter-orders and result into trade(s). Alternatively members may be reactive and put in orders that match with existing orders in the system. Orders lying unmatched in the system are 'passive' orders and orders that come in to match the existing orders are called 'active' orders. Orders are always matched at the passive order price. This ensures that the earlier orders get priority over the orders that come in later.

Order Conditions

A Trading Member can enter various types of orders depending upon his/her requirements. These conditions are broadly classified into 2 categories: time related conditions and price-related conditions.

Time Conditions

DAY - A Day order, as the name suggests, is an order which is valid for the day on which it is entered. If the order is not matched during the day, the order gets cancelled automatically at the end of the trading day.

IOC - An Immediate or Cancel (IOC) order allows a Trading Member to buy or sell a security as soon as the order is released into the market, failing which the order will be removed from the market. Partial match is possible for the order, and the unmatched portion of the order is cancelled immediately.

Price Conditions

Limit Price/Order –

An order that allows the price to be specified while entering the order into the system.

Market Price/Order –

An order to buy or sell securities at the best price obtainable at the time of entering the order.

Stop Loss (SL) Price/Order –

The one that allows the Trading Member to place an order which gets activated only when the market price of the relevant security reaches or crosses a threshold price. Until then the order does not enter the market.

A sell order in the Stop Loss book gets triggered when the last traded price in the normal market reaches or falls below the trigger price of the order. A buy order in the Stop Loss book gets triggered when the last traded price in the normal market reaches or exceeds the trigger price of the order.

E.g. If for stop loss buy order, the trigger is 93.00, the limit price is 95.00 and the market (last traded) price is 90.00, then this order is released into the system once the market price reaches or exceeds 93.00. This order is added to the regular lot book with time of triggering as the time stamp, as a limit order of 95.00

How does the Bombay Stock Exchange Work?

Till 1995, the Bombay Stock Exchange worked on an open floor system. Subsequently, it shifted to an electronic trading system that is vastly popular worldwide used by the New York Stock Exchange and Nasdaq. Some benefits of the electronic trading system are fewer errors, faster execution, and better efficiency.

The electronic trading system has eliminated the need for external specialists by enabling direct market access. This move has shifted the focus from individual buyers and sellers to the total number of transactions in a day.

Though direct investment access is granted to certain investors engaging in large volumes of transactions, trading in BSE online is executed through depository participant and brokerage houses for a stipulated charge.

All the transactions are processed within two days by way of the T+2 rolling settlement. SEBI ensures the smooth operation of this stock exchange by continually updating the rules and ensuring thorough implementation.

Securities listed on the BSE include –

– Stocks, stock futures, and stock options

– Index futures and index options

– Weekly options

Sensex measures the overall performance of BSE since 1986. It is a free-floating market-weighted benchmark index that encompasses thirty of the BSE's most traded stocks across 12 sectors and is known as BSE 30. Its inclusiveness makes it a fantastic representative of the Indian market as a whole.

The Sensex essentially reflects the investor's confidence in the market, based on the performance of thirty well-established and financially sound companies in India.

Some other sectorial indices provided by Bombay Stock Exchange are :-

- S & P BSE Auto
- S & P BSE Bankex
- S&P BSE Capital Goods
- S & P BSE Consumer Durables

HOW DOES SHARE MARKET WORK?

Share market works in the following order:

1. A company gets listed in the primary market through an IPO.

2. Shares get distriuted in the Secondary Market

3. The stocks issued can be traded by the investors in the secondary market.

4. Stock brokers and brokerage firms are entities registered with the stock exchange which offers you to buy particular share at said price

5. Your broker passes on your buy order to the exchange, which searches for a sell order for the same share.

6. The process takes T+2 days i.e. you will get your shares deposited in your demat account in two working days.

The stock market is one of the largest avenues for investment. As many as Rs. 6 lakh crore-worth stocks have been traded in the two stock exchanges in India on some occasions. Stock market investing is often called a gamble. It would cease to be a gamble if you understood the basics of the share market.

But before starting, you might want to get acquainted with a few market-related concepts.

HOW SHARE MARKET WORKS:

A stock exchange in the platform where financial instruments like stocks and derivatives are traded. Market participants have to be registered with the stock exchange and SEBI to conduct trades. This includes companies issuing shares, brokers conducting the trades, as well as traders and investors. All of this is regulated by the **Securities and Exchange Board of India (SEBI)**, which makes the rules of conduct.

First, a company gets listed in the primary market through an Initial Public Offering (IPO). In its offer document, it lists details about the company, the stocks being issued, and so on. During the listing, the stocks issued in the primary market are allotted to investors who have bid for the same.

Once listed, the stocks issued can be traded by the investors in the secondary market. This is where most of the trading happens. In this market, buyers and sellers gather to conduct transactions to make profits or cut losses.

Stock brokers and brokerage firms are entities registered with the stock exchange. They act as an intermediary between you, as an investor, and the stock exchange.

Your broker passes on your buy order to the exchange, which searches for a sell order for the same share. Once a seller and a buyer are fixed, a price is agreed finalized, upon which the exchange communicates to your broker that your order has been confirmed.

This message is then passed on to you. Even at the broker and exchange levels, there are multiple parties involved in the communication chain like brokerage order department, exchange floor traders, and so on. However, the trading process has become electronic today. This process of matching buyers and sellers is done through computers.

As a result, the process can be finished within minutes.

HOW YOUR ORDER IS PROCESSED

However, there are tens and thousands of investors. It is impossible for all to converge in one location and conduct their trades. This is where stock brokers and brokerage firms play role.

Once you place an order to buy a particular share at a said price, it is processed through your broker at the exchange. There are multiple parties involved in the process behind the scenes.

Meanwhile , the exchange also confirms the details of the buyers and the sellers to ensure the parties don't default. It then facilitates the actual transfer of ownership of shares. This process is called settlement. Earlier, it used to take weeks to settle trades.

Now, this has been brought down to **T+2 days**. For example, if you conducted a trade today, you will get your shares deposited in your **DEMAT account** by the day after tomorrow (i.e. two working day).

The exchange ensures that the trade is honoured during the settlement#. Whether the seller has the required stock to sell or not, the buyer will receive his shares. If a settlement is not upheld, the sanctity of the stock market is lost, because it means trades may not be upheld.

As and when trades are conducted, share prices change. This is because prices of shares – like any other goods – are dependent on the perceived value. This is reflected in the rise or fall of demand for the stock. As demand for the stock increases, there are more buy orders. This leads to an increase in the price of the stock. So when you see the price of a stock rise, even if it is marginal, it means that someone or many placed buy order(s) for the stock. Larger the volume of trade, greater the fluctuation in the stock's price.

You must've heard about the volatility in the market. Here are the 4 reasons that have created the current volatility in India.

HOW TO INVEST IN SHARES:

To invest in Share market you need to follow below steps:

Step1: Know your investment requirements & limitations

Step2: Decide on your investment strategy

Step3: Enter the market at the right time

Step4: Do the trade

Step5: Monitor your portfolio

Step 1

First, understand your investment requirements and limitations. Your requirements should take into account the present as well as the future.

The same applies to your limitations. For example, you just got a job and earn Rs. 20,000 a month. Your limitation could be that you need to set aside at least Rs. 10,000 for instalment payments for your car, and another Rs. 5,000 for your monthly expenses.

This leaves aside only Rs. 5,000 for investment purposes. Now, if you are a risk-averse investor, you may prefer to invest a larger portion of this amount in low-risk options like bonds and fixed deposits. This means, you have only a small portion left for stock market investing – Rs. 1,000. Further, take into consideration your tax liabilities.

Remember, making profits on short-term buying and selling of shares incurs capital gains tax. This is not applicable if you sell your shares after a year.

So, ensure that your cash needs don't force you to sell your shares on short-term unnecessarily. Better to take a wise well-thought decision, than attract unnecessary costs in the future.

To better plan your finances you can delve into Financial Planning. Here are the benefits of Financial Planning.

Step 2

Once you understand your investment profile, analyse the stock market and decide your investment strategy. Find out which stocks suit your profile. If we continue the above example, with a budget of Rs 1,000, you can either choose to buy one large-cap stock or multiple small-cap stocks. If you need an additional source of income, opt for high-dividend stocks.

If not, opt for growth stocks which are likely to appreciate the most in the future. Deciding the kind of stocks you wish to collect is part of your investment strategy.

Here's a step-by-step guide to create your personalized financial plan

Step 3

Wait for the right time. Have you ever seen a cheetah or tiger hunt? They lie low for a while waiting for their prey, and then they pounce. Exactly the same way, time is of utmost importance in the stock market. Merely getting the stock right is not enough. Your profits will be maximised only if you buy at the lowest level possible. The same applies if you are selling your shares. This needs time. Do not be impulsive.

You might be interested to do some analysis while you're waiting. Here's your guide to analysing stock market.

Step 4

Conduct your trade either online or on the phone through your broker. Ensure that your broker confirms the trade and gets all the details right. Recheck the trade confirmation to avoid errors.

Step 5

Monitor your portfolio regularly. The stock market is dynamic. Companies may seem profitable one moment, and not-so profitable the next due to some unforeseen factor. Ensure you regularly read about the companies you have invested in. In the case of some unfortunate situation, this will help you minimize your losses before it is too late.

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What are stock market indices?

There are thousands of companies listed on stock markets, making it almost impossible to monitor each company. This is why stock market indices are created. Market indices bring together a select group of company stocks and regularly measures them to show the performance of the overall market or a certain segment of the market.

In short, an index helps investors understand the health of the stock market, enables them to study the market sentiment and makes it easy to compare the performance of an individual stock.

The Sensex and Nifty-50 are two popular benchmark indices that largely reflect the performance of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). To understand how each sector of the stock market is doing, there are sectorial indices such as Nifty Bank. Nifty Auto etc.

It means an index.

WHAT ARE STOCK INDICES?

From among the stocks listed on the exchange, some similar stocks are selected and grouped together to form an index. This classification may be on the basis of the industry the companies belong to, the size of the company, market capitalization or some other basis. For example, the BSE Sensex is an index consisting of 30 stocks. Similarly, the BSE 500 is an index consisting of 500 stocks.

The values of the grouped stocks are used to calculate the value of the index. Any change in the price of the stocks leads to a change in the index value. An index is thus indicative of the changes in the market.

Some of the important indices in India are:

Benchmark indices – BSE Sensex and NSE Nifty

Sectoral indices like - BSE Bankex and CNX IT

Market capitalization-based indices like - BSE Smallcap and BSE Midcap

Broad-market indices - BSE 100 and BSE 500

WHY DO WE NEED INDICES?

Indices are an important part of the stock market. Here's why we need stock indices:

Sorting:

In a share market, there are thousands of companies listed. How do you differentiate between all of those and pick one or two to buy? How do you sort them out? It is a classic case of a pin in a stack of hay. This is where indices come into the picture. Companies and their shares are classified into indices based on key characteristics like size of company, sector or industry they belong to, and so on.

Representation

Indices act as a representative of the entire market or a certain segment of the market. In India, the BSE Sensex and the NSE Nifty are considered the benchmark indices. They are considered to represent the overall market performance. Similarly, an index formed of IT stocks is supposed to represent all stocks of companies from the industry.

Comparison

An index makes it easy for an investor to compare performance. An index can be used as a benchmark to compare against. For example, in India the Sensex is often used as a benchmark. So, to find if a stock has outperformed the market, you simply compare the price trends of the index and the stock. On the other hand, an index can also be used to compare a set of stocks against a benchmark or another index. For example, on a given day, the benchmark index like Sensex may jump 200 points, but this rally may not extend to a certain segment of stocks like IT. Then, the fall in the value of index representing IT stocks could be used for comparison rather than each individual stocks. This also helps investors identify market trends easily.

Reflection

Investor sentiment is a very important aspect of stock market movements. This is because, if sentiment is positive, there will be demand for a stock. This will subsequently lead to a rise in prices. It is very difficult to gauge investor sentiment correctly. Indices help reflect investor's mood – not just for the overall market, but even sector-wise and across company sizes. You can simply compare an index with a benchmark to see if has underperformed or outperformed. This will, in turn, reflect investor sentiment.

Benefits of the BSE

1. **Easy capital generation**

Companies that are listed on the BSE enjoy the trust of the investors. Given the platform's transparency, individuals can analyse publicly available data points on the companies' performance and invest accordingly. This trust is beneficial for companies looking to raise capital from ready investors. The securities of companies listed in the BSE have a ready market of buyers. And, the role of the BSE in infusing liquidity into the economy cannot be overlooked.

The electronic trading system of BSE makes the entire process effortless. Thus, giving the investors the ability and confidence to encash their investment as and when they need it.

2. **Legal supervision**

SEBI has stringent mandates for the companies listed on BSE**,** which are updated from time to time. Thus, a strict check kept on the companies to ensure the rules laid out are implemented, reducing the chances of fraudulent companies making their way to the exchange. This supervision dramatically reduces the risk of loss to investors resulting from the misrepresentation of businesses.

3. **Publishing adequate information**

The information published by the companies listed on BSE regularly includes:–

- – Total revenue generation
- – Reinvestment pattern
- – Total dividend disbursed
- – Bonus and transfer issues
- – Book-to-closure facilities and many more

This periodic information disclosure enhances transparency in the process and helps the investors in making more informed decisions.

4. **Reflection of the real value of shares**

There are efficient pricing rules for securities trading on BSE. The prices are determined based on demand and supply patterns, reflecting the real value of a share at any given time.

5. **Collateral guarantee**

Most of the financial institutions accept the securities listed in the BSE as collaterals against loans. Investments in such stocks are invaluable as aside from offering great returns, they also help traders access capital by mortgaging these share certificates to invest in their business.

Benefits of the NSE

The National Stock Exchange is a premier marketplace for companies preparing to list on a major exchange. The sheer volume of trading activity and application of automated systems promotes greater transparency in trade matching and the settlement process.

This in itself can boost visibility in the market and lift investor confidence.
Using cutting-edge technology also allows orders to be filled more efficiently, resulting in greater liquidity and accurate prices.

What Is a Broker?

Brokers—also known as trading members—perform a vital function in the stock market. They execute transactions such as the buying and selling of stocks on behalf of their clients. In return for this, they charge a brokerage commission.

But stock market brokers provide other services too. These include portfolio management and financial advice, for example. With stock market transactions taking place online, brokers also offer multiple platforms through which investors and traders can access the stock market.

HOW BROKERAGE HOUSES SUPPORT TRADERS

Back when stock exchanges were a physical venue, brokerage firms represented their clients on the exchange floor. As the legal representatives of their customers, they carried out buy and sell orders as per the client’s instructions.

Brokers are registered members of the stock exchange. Moreover, they have to comply with the regulatory guidelines imposed by the market regulator, the Securities and Exchange Board of India (SEBI). Find out more about stockbrokers in India.

Today, India has a dematerialised stock market where trades are executed online. Stockbrokers still carry out the same primary function—executing orders on their clients’ behalf. But the venue has moved to digital channels.

FUNCTIONS OF A BROKERAGE FIRM

Order execution: Brokers execute their clients' trading orders online. For this, the brokerage charges a commission. This may be either a flat fee per transaction or a percentage of the transaction value.

Trading platforms: Having multiple secure platforms through which clients can place orders is essential nowadays. Most of the bigger brokers provide trading apps and software for smartphones, laptops, and tablets. You could also trade and invest via phone or chat.

Financial advisory: Both new and seasoned investors depend on stock recommendations from their broker. But stockbrokers are required to disclose all information when recommending a stock—that includes being transparent about the risks.

Margin financing: Traders who have accounts with large brokerage funds can use margin funding facilities. This essentially means borrowing funds from the broker to take bigger positions in the market.

To perform these stockbroking functions, the firm must get the necessary licenses. For this purpose, they must register with SEBI and become a member of a stock exchange. Know the advantages of using brokerage firms.

Functions of Brokerage Firms

- Track all trades and issue regular reports.
- Account for all cash received on sales and paid for purchases.
- Credit the accounts for all dividends and interest received on securities held in street name.
- Debit the accounts for any interest paid on margin loans.
- Monitor the adequacy of margin and issue margin calls when necessary to meet margin requirements.
- Monitor all pending or outstanding orders.
- In addition, firms may provide more or less in the way of

TYPES OF BROKERS

A stock investor or trader can look into three main types of brokers: full-service brokers, discount brokers, and robo-advisers.

1. Full-service broker

A full-service broker provides a large variety of services to its clients. Most full-service brokers have offices in major cities where customer service staff can meet clients in person. These brokers offer customised support through tailored brokerage plans and services for investors with different interests and varying levels of expertise. Clients with large holdings could even engage dedicated service managers to handle their portfolios.

Full-service brokers also provide educational materials and financial advisory. For instance, they may offer stock recommendations tailored to your brokerage plan. But they are also required to disclose if there are any risks associated with their stock tips. It helps that these brokers usually have in-house market research teams to compile regular market research reports. Customers can access these reports and gain research-based insights. They can also view market data and news live, and opt to receive real-time market alerts via SMS.

The average commission charged by full-service brokers is 0.3% to 0.5% per trade. This is on the higher side. But the extra cost can be worthwhile given the wide range of services and products on offer. Find out how to get the lowest brokerage charges in India.

2. Discount brokers

While full-service brokers provide a whole catalogue of services, discount brokers focus on the basics. Discount brokers carry out buy and sell orders for their clients but do not offer any additional services. For this reason, they also charge a much lower commission. In some cases, the charge may be as low as Rs 10 per transaction.

How are discount brokers able to keep their charges ‘discounted’? Since they provide only transactional services, they may not have too many physical set-ups. This keeps their operational costs low. Such brokers operate mainly through online platforms.

They can be suitable for seasoned investors who are looking to save on costs. But the absence of advisory, research, and customised services can be a disadvantage. Such brokers may not be the right choice for those who are new to stock market investments.

3. Robo-advisers

Robo-advisers are automated digital platforms that provide financial planning services online. They use algorithms to come up with the financial advice and require with very little human supervision. How do they work? The client completes an online survey to provide information about their financial situation and goals. The robo-adviser uses this data to offer investment advice.

Robo-advisers tend to be cheaper than even discount brokers. Many charge an annual flat fee of 0.2% to 0.5% of a client's total account balance. The opening balances are very low as well. Besides, you can reach the robo-adviser at any time through an internet-connected device. There's no need to go to their office. You can start transacting in just a few clicks.

However, your investment options may be limited. That's because robo-advisers deal mainly in mutual funds.

WHAT TO EXPECT FROM A BROKERAGE FIRM

Depending on the type of brokerage firm you choose, expectations will vary. So, let's focus on the points of difference:

Tailored service:

- Full-service brokers are the most customer-oriented. They provide research-based market insights and alerts, financial advisory, and portfolio management services.

- Discount brokers focus more on the transactional experience.

- Robo-advisers provide investment advice using an automated algorithm.

Present Time

- Full-service brokers have an online presence, along with several physical offices that make face-to-face interactions possible.

- Discount brokers have only a few physical offices. They operate mainly through online platforms or the telephone.

- Robo-advisers are an online-only option.

Asset classes:

- Full-service brokers permit trades in multiple asset classes. These include mutual funds, stocks, bonds, IPOs, derivatives, and more.

- Discount brokers allow only stock and mutual fund investment.

- Robo-advisers mainly deal in mutual funds.

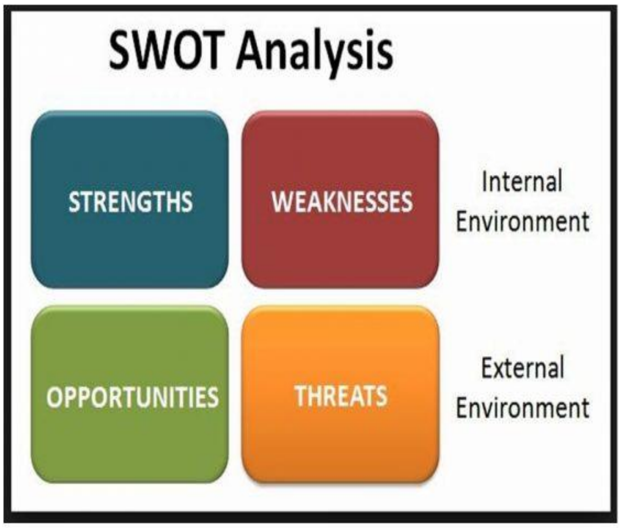
Charges:

- Full-service brokers usually charge brokerage fees of 0.3–0.5% per trade.

- Some discount brokers charge as little as Rs 10 per trade, regardless of the transaction value.

- Robo-advisers can be the most cost-effective option. The annual charges range from 0.2% to 0.5% of a client’s account balance.

SWOT ANALYSIS OF STOCK MARKET :-



SWOT Analysis for stocks is one of the most widely used tools for performing the 'qualitative' study of the company. It helps to understand the company's market position and competitive advantages.

In this post, we are going to discuss what is SWOT analysis and how to use this tool for qualitative analysis of a stock.

What is SWOT Analysis?

SWOT Analysis focuses on four important factors while evaluating the quality of a company. Here's what SWOT Analysis for stocks looks at the four factors of SWOT analysis, 'strength' and 'weakness' are the internal factors of a company and hence are controllable.

On the other hand, 'opportunities' and 'threats' are external factors and it's a little difficult for a company to control these factors. However, using the SWOT analysis of stocks, the management can identify the threat and opportunities and hence can take proper actions within time.

For example, Bharat Stage (BS)- IV fuel was launched in India in April'2017. This means the ban on the sale of all the BS-III compliant vehicles across the country after the launch date.

Those automobile companies who have already realized this big opportunity might have started working on the BS-IV vehicles months before the expected launch date. On the other hand, companies that haven't done the opportunity/threat analysis properly would have faced a lot of troubles. They cannot sell the old BS-III model vehicles. Hence, a big loss of the finished products and the inventories.

Why use SWOT Analysis for stocks?

Here are a few reasons why SWOT analysis for stocks is beneficial:

- SWOT analysis is one of the simplest yet effective approaches for the qualitative study of a stock.

- It helps in identifying weak points of a company that may become an issue in future.

- It helps in finding the durable competitive advantage i.e. moat that will help to protect your investment in future.

Components of SWOT Analysis for stocks

1. Strength

The strength of a company varies industry-to-industry. For example, a low non-performing asset (NPA) can be the strength of a banking sector company. On the other hand, cheap suppliers or cost advantages can be a big strength for an automobile company.

Here are a few other strengths of a company that you should take notice of while performing a SWOT analysis of stocks:

- Strong financials
- Efficient Management (People, employees etc)
- Big Brand recognition
- Skilled workforce
- Repeat clients
- Cost advantages
- Scalable business model
- Customer loyalty

2. Weakness

The ‘reverse’ of everything discussed in the ‘Strengths’ can be the weakness of a company. For example- Weak financials, inefficient management, poor brand recognition, unskilled workforce, non-repetitive clients, un-scalable business and disloyal customers.

Besides, there are a few other weaknesses that may affect the company:

- Outdated technology.
- Lack of capital
- High Debt

For example- many companies in the telecommunication industry ran out of business as they were using outdated 2G/3G technology. Similarly, in the energy sector, renewable power generation is the future technology and those companies who are not working on the new technology might get outdated soon. In short, outdated technology adversely affects most of the industry.

3. Opportunity

A company with a lot of opportunities has a lot of scopes to succeed and make profits in future. Here are a few points that you need to consider while evaluating opportunities for a company:

- Internal growth opportunity- (New product, new market etc)
- External growth opportunity (Mergers & Acquisitions)
- Expansion (Vertical or horizontal)
- Relaxing government regulations
- New technology (Research & Development)

4. Threats

In order to survive (and moreover to remain profitable), it’s really important for a company to analyze its threats. Here are a few of the biggest threats to a company:

- zerodha open demat account wide banner
- Competition
- Changing consumer preferences/ new trends
- Unfavorable Government regulations

The changing consumer preferences are one of the repetitive threats that many industries face. Here, if no proper action is taken to retain the customer, then it might unfavourably affect the profitability of the company.

For example- The new trend of ‘health awareness among the people may result in a decline in the sales of beverages/Soft drink companies. (These companies are fighting back this threat by introducing ‘DIET-COKE’).

Similarly, a preference towards ayurvedic products in India has already reduced the sales of non-ayurvedic FMCG companies (and a rise of PATANJALI).

Know Everything About Stock Brokers in India

OPEN SHARE TRADING ACCOUNT NOW

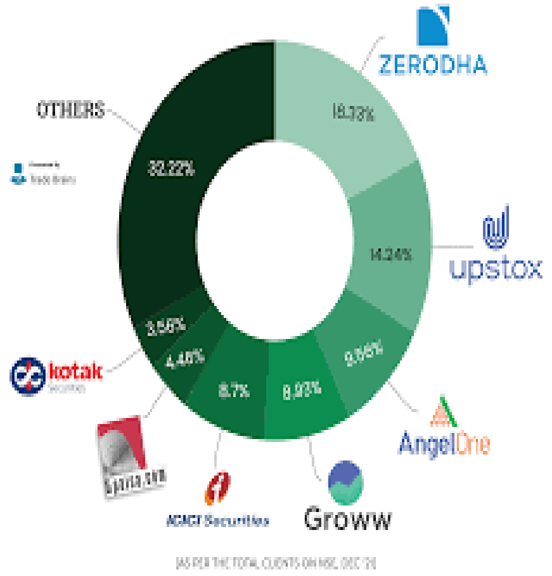
Full Name

E-mail Address

10 Digit Mobile No.

Select City

Note



HOW IT HELPS?

Zero maintenance charges

Zero fees for demat account opening

Volume based brokerage

Stocks in India are traded on stock exchanges like the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Metropolitan Stock Exchange (MSE) and others. To buy or sell stocks through these exchanges, you need a stock broker who will execute trades on your behalf. In return for this service, the stock broker will charge a commission—usually a flat fee or a percentage of the transaction value. Read all about brokerage charges.

ADVANTAGES OF STOCK MARKET INVESTMENTS

1. Potential for good returns:

The stock market does carry some risk, but it can deliver inflation-adjusted returns over the long run. This makes them a better choice than other assets like fixed deposits, for example, where the rate of returns is not inflation-adjusted. When returns are not inflation-adjusted, it means that the rate of returns cannot keep up with inflation. As a result, the value of your returns gets eroded over time.

2. More than one type of earning:

Most traders aim to buy stocks at a low price and sell them when the price rises. The goal is to profit from the difference between the purchase price and the sale price. Long-term investors use a similar approach but they hold on to the shares for several years. Stocks tend to do well over the long run, which means shareholders could see significant capital appreciation. Some stocks—such as large-caps—also pay out regular dividends, which can provide shareholders with a steady income.

3. Buying and selling stocks is easy:

Once you have logged in to your broker's online trading platform, simply place your order. Name the stock you wish to buy or sell, mention the number of units to be traded, and add in other relevant details. You could also place orders over the phone or via chat. Besides, as there is no lock-in period, you can sell off shareholdings at any time. Thus, shares give much more liquidity than other investment tools like fixed deposits and pension plans.

WHY YOU NEED A STOCK BROKER

All stock market investments come with some element of risk. Efficient trading is all about how and when to invest in which stock. It needs round-the-clock monitoring of the market and in-depth research. This is where a stock broker comes to your aid. You can access the research materials and tools of your broker to improve your chances of stock market success.

To start trading in the stock market, you must open a demat account and a trading account. For this, you will need to approach a stock broker. Just ensure that the stock broker is registered with the Securities and Exchange Board of India (SEBI). Stock brokers in India are governed by the Securities Contracts (Regulation) Act, 1956, SEBI Act, 1992, and SEBI Rules and Regulations, 1992.

Stock brokers offer valuable advice on the best times to buy and sell stocks. Part of their job is to find the best prices for their clients. Explore stock broking and other stock market careers.

HOW IS STOCK MARKET INVESTING DIFFERENT FROM INVESTING IN MUTUAL FUNDS?

When you invest in mutual funds, a fund manager decides how the money invested in the fund is allocated across different assets. This fund manager is an experienced investment professional. He or she will choose a bundle of stocks for the mutual fund to invest in depending on market conditions. The investment in these stocks is made according to a prespecified proportion.

A fund can also be passively managed, as in case of index funds. Here, the asset allocation of the fund mirrors the allocation of a benchmark index. Since these funds do not need any active management, their expense ratios are lower than those of actively managed funds. Read about different types of mutual funds.

However, mutual funds do not give the investor any active control over their own money. Most equity mutual funds have an exit load for the first year or a longer period. This discourages investors from withdrawing their money in the short run. But investing through a stock broker gives you complete control over your investment portfolio. Here, you are responsible for the return on your investment. Hence, a brokerage account is a sound investment choice if you want full control over your investment.

HOW TO CHOOSE A STOCK BROKER

You can choose a stock broker by keeping in mind the following points:

1. Past performance:

Research carefully to know all about the major stock brokers in India. There are plenty of trustworthy materials available online. Go through them and compare the past records of various stockbroking agencies. You can also study stock broker rankings based on past performance.

2. Selective feedback:

Do your family members and friends invest in the stock market? Ask them for feedback. However, everyone’s feedback is based on their own investment style and perception. So, do not follow any advice blindly.

3. User reviews:

Look for user reviews from previous clients of the stock broker you are looking to hire. Weigh the pros and cons of every review, and ensure that the reviews are genuine.

4. Brokerage charges:

Every stock broker charges a commission. A high brokerage fee could eat into your earnings from every trade. But a stock broker that charges lower commissions might not offer an impressive range of services. So, it is advisable to compare the brokerage charges and other facilities before choosing a broker. Before selecting your broker, read the fine print and check for hidden costs.

5. Financial products:

Consider the types of financial products at the broker's disposal. Larger stock brokers have a wide array of financial products like bonds, options, and futures.

6. Trading platforms:

Get to know all you can about the trading platform used by the broker. A good trading platform will offer you all the latest trading news. It will offer you several trading tools and provide detailed options. And you should be able to access the platform from your mobile phone or tablet.

WHAT TO EXPECT FROM A STOCK BROKER

A stock broker is your trusted partner on your journey to wealth creation. Once you zero in on a broker, ensure that they can provide you with the following:

1. Customer-focused services:

Brokers offer stock tips and recommendations. But are these suited to your financial needs? Look for user reviews that discuss this. While every individual trader and investor is different, reviews could help you to gauge the broker's track record in this respect. Check the broker's record of hits and misses in the recent past as well. You might find the numbers on their website. And before you commit to any broker, study the different brokerage and investment plans they have on offer. For instance, they may have tailored plans for beginners as well as more advanced options for seasoned traders.

2. Research and educational resources:

A good brokerage house always seeks to educate its clients on different aspects of investment and trading. Check whether your broker offers quality resources for the same. It should share findings of its in-house research team on a regular basis. It must also alert investors about significant changes in the market and suggest alternative strategies. If you are new to the stock markets, you may need detailed guides explaining market terminology as well as trading strategies. Ensure that the broker provides educational resources that cater to your investment level.

3. Wider investment options:

Life can become quite hectic if you need to use separate platforms for different kinds of trades. But not all brokers provide access to multiple asset classes. For instance, discount brokers may allow investments only in stocks and mutual funds. If you also wish to trade in derivatives and currencies, you may need a full-service broker instead. Some stock brokers also provide direct access to foreign stock exchanges, thus allowing you to invest internationally.

TYPES OF STOCK BROKERS

All stock brokers in India are registered members of exchanges regulated by the Securities and Exchange Board of India (SEBI). There are two main types of stock brokers—full-service brokers and discount brokers. They differ mainly in terms of the services they offer.

- **Full-service brokers**

A full-service broker provides research, trading, and advisory facilities with regard to stocks, commodities, currencies, mutual funds, and other asset classes. It also provides the facility to buy and sell stocks.

These brokers provide dedicated client relationship managers. They come with advice, customised support, portfolio management services, financial planning services, and services relating to wealth management.

Full-service brokers provide company reports and technical calls for investors and traders. Some of them provide banking and demat services as well. However, they charge a significantly higher fee compared to discount brokers.

- **Discount brokers**

Advancements in technology have led to the rise of discount brokers who generally operate online. They offer cheap brokerage services for buying and selling stocks.

These brokers do not provide any additional services relating to market advice, financial planning, and tax planning. So, despite the low charges, these brokers could expose an investor to an increased risk as there is no guidance available. Besides, the trading segments that they provide may also be limited.

Discount brokers are preferred by clients who cannot afford to spend large amounts on fees and commissions. Seasoned traders who like to take investment decisions on their own might choose this type of broker.

The Importance Of Financial Literacy: Why It Needs To Be Included In Our Education System?

In a rapidly changing global environment, financial literacy is one of the most undermined skills that could determine the countries' future. On a macro-level, governments have expert analysts to manage and predict the financial future of the countries while studying the changing geopolitical relationships. However, the need is arising to include financial literacy in the micro-levels of the economy.

The COVID-19 pandemic has further amplified the need for financial education to accelerate the economy's growth. The pandemic left millions jobless in a matter of months, with ever-increasing bills to pay. The economy is slowly getting back on track, and investments are increasing in the retail sector, but the looming threat of lack of financial literacy could have long-lasting consequences.

Financial literacy refers to the ability to effectively manage several financial skills, including personal finance management, budgeting and investing. Financial literacy builds the foundation of an individual's relationship with money. Experts often believe that education in terms of finances is a lifelong process, and it is better to start as early as possible. In recent times, financial investments and services have become standard amongst people with all kinds of economic statuses. Financially literate people are less vulnerable to falling prey to financial fraud.

Only 24% Indians Financially Literate India is home to almost one-fifth of the world population and has a literacy rate of nearly 80 per cent. Unfortunately, only 24 per cent of people in the country are financially literate.

Three-fourths of the Population in India does not know or understand the pressing need of managing finances is scary for a country that depends on the economy for its development. Nonetheless, there has been a remarkable improvement in the percentage in the last eight years.

In 2013, only 15 per cent of the country's Population knew how to manage their finances and savings.

The Times of India quoted the President of the Institute of Company Secretaries of India (ICSI), Ashish Garg, "Despite having the world's 10th largest and Asia's oldest stock exchange, low per capita income, educational inequality, non-banking habits, informal borrowing and lending practices that have been going on for years. Thus, it is imperative for the country to now understand how to optimize its resources and boost the economic and financial backbone of the nation**." Policies Launched By**

The Centre The Reserve Bank of India (RBI) launched the National Strategy of Financial Education (NSFE) 2020-2025.

The policy aims to teach financial literacy concepts among ordinary people, encouraging them to save actively and boost their participation in the financial markets. The initiative formulates content for financial education and develops the capacity for a code of conduct among the providers.

The Central Bank recommends including financial education in the curriculum at schools and colleges. Inculcating the concept at an early stage helps people put it to use later in their lives.

Moreover, the National Centre for Financial Education (NCFE), which the Reserve Bank of India has set up (RBI), Insurance Regulatory and Development Authority of India (IRDAI) as well as Pension Fund Regulatory and Development Authority (PFRDA), aims at educating Indians on primary areas such as the difference between saving and investing, the power of compounding, the time value of money as well as the importance of diversification, among others.

The need for financial literacy arises mainly when young people, who have just started their careers, find it challenging to manage their finances and end up spending more than they are earning. Stepping into the vicious debt trap increases the probability of not having enough to provide for themselves and their families. Later, when they realize the importance of financial education, it becomes less valuable since they already have a debt to repay.

Therefore, the National Centre for Financial Education would spread awareness about primary financial products, such as bank accounts, to link new users to the financial sector. Moreover, the initiative would educate the existing users in the financial industry to make informed decisions.

Financial literacy would improve the ability to manage one's finances in the present. Still, it would eventually increase personal wealth, protect oneself and their families in emergencies like the pandemic of COVID-19, secure a future for their families, and better retirement plan. Ultimately, a lesser financial burden implies more financial and mental freedom.

Company Profile

Shine Projects is approved by National Skill Development Corporation (NSDC) & Skill India as a Training & Education company.

founded in 2017

It is ISO 9001:2015 Certified Education

Vision: To be a valuable and an affordable catalyst in everyone's personal and professional skill development.

Satisfying the needs of students by providing a high quality education in an affordable manner is the agenda.

With an appropriate market assessment & a top class management, they became the fastest growing education company in India in a short span of time! their well-tailored online courses have become valuable and affordable catalysts in everyone's personal and professional skill development.

Millions of commerce students struggle to find a good training proposition, to learn and attain knowledge.Billions of employees are in need of sessions to improve their technical knowledge and are in a quest to master the skills required for their growth.

Shine Project works is a pioneer in conducting meaningful online & offline training courses for students and companies - in India and abroad - to address the gaps and to take seekers to the next level.

Shine Projects is conducting workshops for students and companies across the globe,to address the gaps and to take seekers to the next level. They hire Marketing and Business Development interns across the globe.

Products- Financial Markets Combo Workshop with

FINANCIAL MARKETS TRIPLE COMBO COURSE

Complementary 1:- Macro Economics & MF advanced module is free of cost (Includes a course completion certificate

Complementary 2:- Personality development course is also offered free of cost (Includes a course completion certificate)

CUSTOMER ANALYSIS

Target audience is educated students who completed +2 , Graduation or pursuing any master degree programme.

- **Some of are Lookers**

They are the customers who are just browsing through your services and probably looking through your competitors as well. They've shown some interest, but they are yet to decide on anything.

- **Discount customers**

They are interested in your product only because you are offering it at a discounted price. There's no way that discount customers are going to get it at the usual price.

- **Researchers**

These types of customers have done their research, compared you with your competitors, and are looking for the best possible option

- **Unsure Customers**

These types of customers are similar to lookers but are more confused and unsure about which direction to move forward.

COMPETITOR ANALYSIS

1- INTERNSHALA-

Industry type - Education Management

Headquarters- Gurugram, Haryana

Founded- 2010

Specialties - Internships, Intern hiring, Recruitment, online training, and e-learning
A company on a mission to equip students with relevant skills & practical exposure through internships and online trainings.

where you can discover your passion and turn it into your career. Where your practical skills matter more than your university degree.

Vision:-
To equip students with relevant skills & practical exposure through internships and online trainings.

Internshala offers following products & services to its users-

- Internship and job posting
- Internshala Trainings

2-INTERNMIND-

Industry- E-learning

Headquarters- Erode , Tamil Nadu

Type- Privately Held

Founded-2020

Specialties- E-Learning, Online Trainings, Internship Oppurtunities for Students, Education Management, Workshops, Online Courses, Event Organiser, and Human Resourses.

They are providing Free and Paid Online Trainings, Workshops, Online Courses and Internships For Students. We are also Post Companies Internship/Job Vacancies on InternMind Platform, Organize Events, workshops for Corporates and Bring Oppurtunities for Students.

Chapter 5

TOPIC AND ISSUE RELATED

DATA PRESENTATION

FOLLOWING ARE THE DATA OBTAINED FROM THE ONLINE SURVEY CONDUCTED:

Please select the age group you belong to:

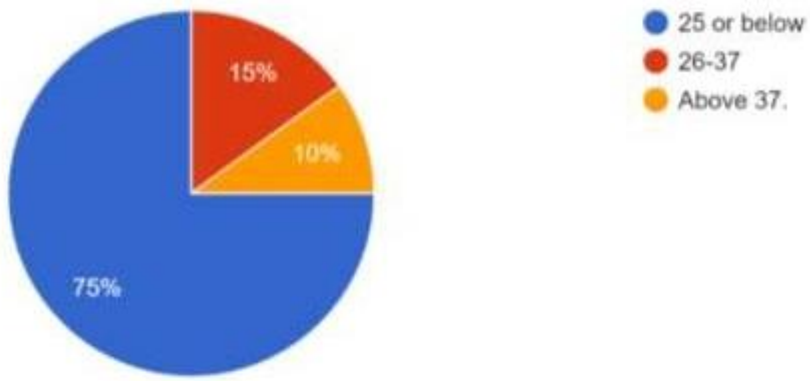


Fig- 5.1

Interpretation- There were total of 100 respondents, out of which 75 percentage belonged to Age group 25 or below, 15 percentage belonged to age group 26 to 37 and 10 percentage belonged to above 37 age.

FINDINGS

The majority of the respondents 64 per cent were male. It shows their interest in investment as well as its non awareness of the female respondents on the investment.

It reveals that the respondents age group is the basis for earnings and interest in the investment activities with maturity.

It reveals that it literacy level is the basis for the new ideas and dimensions of the respondents towards the investment activities.

SUGGESTIONS

The following are the suggestions made by the researcher for improving the interest, awareness and the perception of the investors towards equity markets.

1. The investors have perceived the equity markets as an investment avenue that would provide more benefits than others. But they do not understand that they will be in long run. Hence, it is suggested that the SEBI have to conduct an awareness programme through the consultants for further investment mobilization as well as to well inform the investors about the schemes of all kinds of caps.
2. The different market segments have to be suited to the needs of the investors according to their requirements. The equity funds have to be differentiated with short term capital funds, long term capital funds etc., so that the investors would come forward with properly planned of their investments.
3. The investors would not differentiate the funds conveniently as mid caps and short caps. Hence, the consultants have to inform them about the kinds of funds, the investment periods, the benefits according to the SENSEX as and when it is to be calculated etc so that the investors would be kept well informed.
4. The consultants or the officials of the companies offering the equity funds have to provide the proper data on account apart from the mailings and dispatch of account statements, about the investments made, prevailing values, redemption with as on date, and the prospects in terms of values to the individual customers, so that they would be aware of their pattern of investments in future.
5. Majority of investors invests in capital and equity markets are not clear with the objective and constraints of their investment. Hence the nodal agencies have to provide the high level of quality services to bridge the gap between the lack of awareness and risk elements in equity investments.
6. Investors should be well informed to judge their investment objective and risk before going for the proposal of schemes. Most specifically the plans and schemes, the offers, the time horizons have to be taught as they fetch more benefit to the investors in a form of regular cash inflows.

7. The funds have to be overruling the minds of the investors regarding the safety and tax savings as the important factors affecting the investment in various avenues by the investors. Hence, there is a need for developed strategies for enhancing the common investor confidence such as good return, transference investor education, guidance etc.
8. The investors expected moderate return and accepted the moderate or minimum risk. Hence, the equity funds are to act as a major factor in the choice of schemes, because the investors had the normal level of confidence towards the equity funds and had a moderate level of confidence on bench marking.
9. The requirement of investors is the day-to-day disclose of market conditions and the provision for more tax rebates on investments in equity funds. Hence the data providing agencies have to do the favour for the investors to keep them with morale on the equity markets positively.
10. The investors should spend some time to understand about the company's reputation before betting on them. This is more important in the case of equity funds where the profile of the company and the background of the company can have significant impact on the returns.
11. One of the significant concerns among the equity fund investors is the fee that is charged as part of the scheme for the sale and purchase of securities. Despite the efforts taken by SEBI to improve the transparency of those funds transactions, the list of associated fees still remains a mystery. The equity fund investors were found to exhibit moderate awareness on the fee charges and knowledge about the various schemes, their features and their performance.

12. As the equity funds are risky investments, only investors with thorough knowledge of the markets can survive in the capital as well as equity markets. Hence any investor planning for investment in equity funds should understand the associated risks and gain a thorough knowledge of the markets to survive.

DECLARATION

I hereby declare that the project entitled is an outcome of my own efforts under the guidance of Sri. Prasant Kumar Rout.
The project is submitted to the Biju patnaik University of technology (BPUT), Rourkela, for the partial fulfillment of the Master of business administration 2020-2022.
I also declare that this project report has not been previously submitted to any other university.

Date: Sambit Sasank Mishra
Place: Bhubaneswar

CONCLUSION

Indian capital and equity market has now grown into a great material market with a lot of qualitative inputs and emphasis on investor protection and disclosure norms.

The market has become automated, transparent and self driven. It has integrated with global markets, with Indian companies seeking listing on foreign capital markets exchange, off shore investments coming to India and foreign funds floating their schemes and thus bringing expertise in to our markets.

India has achieved the distinction of possessing the largest population of investors next to the U.K., perhaps ours is the country to have the largest number of listed companies with around several equity fund management avenues and National Fund managers most of them automated.

India now has world class regulatory system in place. Thus, at the dawn of the new millennium, the equity funds market has increased the wealth of Indian companies and investors. No doubt strong economic recovery, upturn in demand, improved market structure, and other measures have also been the contributory driving forces.

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