Chapter II

REVIEW OF LITERATURE

2.1. Introduction

2.2. Review of Literature

2.3. Summary
2.1. Introduction

Investment is the significant word all terminated world also investing wisely is an important part of financial security. Try to start invest money as early as possible so that the money will grow faster. It is the one which makes the business go around and all aspects of the economy start and end at it. In today’s competitive world the easiest way to raise capital for new upcoming and promising ventures is to go public or turn towards masses through Stock Markets where small savings of these people can make miracles by investing wisely in reliable businesses and help management of these companies to make them biggest companies in the world. In India, the most of the people is involved in these markets but it is out of the investment people which gets affected directly or indirectly if something happens in these markets, which in itself shows a strong correlation between Stock Markets and Real Economy not just on the surface level but deep inside also they are interlinked. There are a number of studies undertaken in the field of bullion market and equity market but none of the study related to the present study. In this chapter, the researcher has reviewed the existing literature pertaining to various issues in the field of financial market.
2.2. Review of Literature

Ahmed Imran Hunjra and et. al. in their study, observed the risk and return relationship in commodity markets as well as stock market on the basis of univariate modeling approach. The asymmetric and nonlinear relationship between risk and return was observed on the basis of GARCH-MEAN and E-GARCH modeling approach. The most appropriate models for commodities and stock markets are reported. The overall results indicate that Asymmetric and seasonal effect was present in commodities market and stock markets. But the asymmetric properties and seasonal effect was most dominant in stock price risk and return relationship.¹

Dr. Shefali Dani and Riddhi Ambavale, in their study found that Gold and Silver are the most popular metals in India. Investors do invest in Gold and Silver with their other investment alternatives like stocks, mutual funds, real estate property and the like. The research is that before the year 2006, investors regularly make investment in Gold and Silver but they reduce their investment in such metals as the prices of Gold and Silver are at hike peak for the year 2007 and they have choose other options from the investment. In Silver, coins of silver are most popular among the investors. For giving

bonus or appreciation on gift to the employees of the organization on special
days. From their study of the investors’ preference on investment in Gold
and Silver by conducting research through questionnaire, we came to know
that investors do invest in gold and silver depend on their income and
savings with them.2

Several studies focus on the relationship between gold and silver
prices. Solt and Swanson3 studied the efficiency of both gold and silver
markets and found some positive dependence in their price series. Ma4
considered gold and silver as close substitutes and conjectures the
equilibrium parity between gold and silver prices in the long run. He showed
that significant trading profits are possible when gold and silver prices are
far away from their equilibrium parity. In turn, he provided evidence against
the weak-form efficiency in the relative pricing between these two markets.

On the contrary, Ciner found that the stable relationship between gold
and silver prices has disappeared in the 1990s. He concludes that since these
two metals have different economic uses and are affected by different

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2 Dr. Shefali Dani and Riddhi Ambavale (2015), “A Study Of Investor’s Preference
And Risk & Return Analysis Of Precious Metals (Gold And Silver In India)”,
International Journal of Advanced Research in Management and Social Sciences,
February 2015, Vol.4, Issue No.2, pp.51-60

3 Solt, Michael E. and Paul J. Swanson, On the efficiency of the markets for gold and

4 Ma, Christopher, 1985, Spreading between the gold and silver markets: Is there a
economic fundamental factors, gold and silver are not substitutes for hedging against similar types of risks.\textsuperscript{5}

Draper, Faff et al. portfolios that contained Gold, Silver, or platinum perform significantly better than standard equity portfolio. Therefore the astute investors can minimize risk while maximizing returns.\textsuperscript{6}

Sherman in his study presented that gold markets behaved efficiently—new information is quickly incorporated into the price. Under conditioning of uncertainty many investors turn to gold because it is a “Currency without borders”—a highly liquid and secure asset that can be accessed at any time. In times of economic distress most asset classes tend to move in the same direction. Gold is correlated to many assets, including equities and bonds. The economic forces that determine the price of gold are opposed to the forces that determine other financial assets. Therefore, gold play an important role as a diversifier, acting as a stabilizing influence for investment portfolios. Thus a portfolio mix of equities with gold would result in a portfolio of assets moving independently, with low correlation.\textsuperscript{7}


Smith\textsuperscript{8} in times of economic uncertainty attention turned to investing in gold as safe heaven. Similarly, Faff and Chan\textsuperscript{9} reported that gold stocks played an important role as a hedge against other stocks. The authors reported that and investment in gold provides an effective hedge against inflation and political instability.

Taylor stated that both gold and silver along with platinum had provided a short and long run hedge against inflation.\textsuperscript{10}

Blose compared gold fund returns with that of gold billion. He found that all the mutual funds have a greater standard deviation than gold Billion, indicating that the total risk for the funds is greater than for gold. Gold Billion had a significantly negative beta, but the $R^2$ value was low. (0.014). He concluded that the market had a very little, if any, impact on both gold billion and gold mutual funds. If an investor (for the purpose of diversification) was looking for an asset which was largely uncorrelated with the market, gold or any of the mutual funds would serve that purpose; however gold may be marginally better in this regard than the mutual funds.


Basher and Sadorsky reported in their recent study on oil price risk that they found strong evidence that oil price risk impacted stock price returns in emerging markets.  

Twite studied a small sample of gold mining firms in Australia and found that their values were affected by gold price changes. El-Sharif, Brown, Burton, Nixon, and Russell found positive, often significant, relationship between the price of oil and equity values in the oil and gas sector using data relating only to the United Kingdom.

Even though Hondroyiannis and Papapetrou reported as one of their conclusions that oil price changes explain stock price movements in Greece and Twite found a relationship between gold prices and gold mining stocks.

Ronald C. Kettering in his study investigated the relationship between gold, oil and various international indexes. The study resulted in showing that is a strong, positive association between the international stock indexes. There are also significant positive relationships between oil and stock prices.

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while gold’s expected inverse relationship with stock prices has changed over time. The positive relationships suggest that some traditional portfolio risk techniques may no longer be valid.\textsuperscript{15}

Mukherjee and Naga in their study “Dynamic relations between macroeconomic variables and the Japanese stock market: An application of a vector error correction model” has employed the Johansen co integration test, Vector Error Correction Model (VCEM) and found that the Japanese Stock market was co integrated with six macroeconomic variables, namely, exchange rate, money supply, exchange rate inflation rate, industrial production index, long term government bond rate and the short term call money rate. The results of the long run coefficients of the macroeconomic variables were consistent with the hypothesized equilibrium relationship.\textsuperscript{16}

Abdalla and Murinde investigated interactions between exchange rate and stock prices in the emerging financial markets of India, Korea and Pakistan and Philippines. They found that the results for India, Korea, Pakistan suggest that Exchange rate Granger Cause on stock prices.\textsuperscript{17}


Ahmed investigated the nature of causal relationship between stock prices and key macroeconomic variables (i.e., IIP, Exports, FDI, Money Supply, Exchange Rate, Interest rate) representing real and financial sector of the Indian economy. Using quarterly data, Johansen of co-integration indicated the presence of a long relationship between stock prices and IIP. In case of short run BSE SENSEX caused to exchange rate.  

Gogineni explored the reaction of the US stock market as a whole and of different industries to daily oil price changes. It was found that the direction and magnitude of the market’s reaction to oil price changes depended on the magnitude of the price changes. Oil price changes most likely caused by supply shocks had a negative impact while oil price changes.

Ghosh, Roy, Bandyopadhyay and Choudhuri examined the primary factors responsible for affecting Bombay Stock Exchange (BSE) in India. The paper investigated the relative influence of the factors affecting BSE and thereby categorizing them. With the help of multiple regression models and applying Factor analysis the primary factors were traced out. The relationship between BSE SENSEX and some other important economic

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factors like, Oil prices, Gold price, Cash Reserve Ratio, Food price inflation, Dollar price, Foreign Capital Inflows has been estimated taking into consideration the Multi collinearity problem among different independent variables and attempted to eliminate it. The results revealed that dollar price along with “Factor 1” i.e; “External Reserve” and “Factor score 2” i.e; “Inflation inertia” are significantly affecting BSE SENSEX. The fluctuations in SENSEX due to Oil and CRR are significant. Any rise in Oil price will create inflation inertia which will generate stochasticity in SENSEX. The External reserves taken together will act as resource generating Factor in attracting Foreign Capital inflows, which will make SENSEX more sensitive.  

Wang and Huang analyzed the daily data and employed time series method to explore the impacts of fluctuations in crude oil price, gold price, and exchange rates of the US dollar vs. various currencies on the stock price indices of the United States, Germany, Japan, Taiwan, and China respectively, as well as the long and short-term correlations among these variables. The empirical results showed that there exist co-integrations among fluctuations in oil price, gold price and exchange rates of the dollar vs. various currencies, and the stock markets in Germany, Japan, Taiwan

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and China. This indicated that there existed long-term stable relationships among these variables. Whereas there was no co-integration relationship among these variables and the U.S. stock market indices.\(^{21}\)

Kumar aimed at studying the nature of the causal relationship between stock prices and macroeconomic variables in India. For this purpose the techniques of unit root tests, co-integration and Granger causality test has been applied between the NSE Index and macroeconomic variables, viz., REER, Foreign exchange reserve, balance of trade, FDI, IIP, WPI using monthly data for the period from 1\(^{st}\) April 2006 to 31\(^{st}\) March 2010. The major findings of the study are that there was no co integration between Nifty and all other variables except WPI as per the Johansen co integration test as per the Johansen co integration test. Nifty did not Granger cause WPI and WPI also did not Granger NIFTY.\(^{22}\)

Rabi N. Mishra and G. Jagan Mohan, in their study entitled “Gold Prices and Financial Stability in India” proved that domestic and international gold prices are closely interlinked. The paper also concludes that implications of correction in gold prices on the Indian financial markets are likely to be muted. According to Mahmood Yahyazadehfar and Ahmad

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Babaie\textsuperscript{23}, the relationship between nominal interest rate and gold price with
stock price are negative. Also, the results of Impulse-Response Functions
shocks show that stock price reaction to the shocks is very fast.\textsuperscript{24}

Thai-Ha Le and Youngho Chang made a study on “Dynamic
Relationships between the Price of Oil, Gold and Financial Variables in
Japan: A Bounds Testing Approach” and they confirmed that the price of
gold and stock, among others, can help form expectations of higher inflation
over time. In the short run, only gold price impacts the interest rate in Japan.
Overall the findings of this study could benefit both the Japanese monetary
authority and investors who hold the Japanese yen in their portfolios.\textsuperscript{25}

Yen-Hsien Lee, Ya-Ling Huang & Hao-Jang Yang\textsuperscript{26} examined the
asymmetric long-run relationship between crude oil and gold futures. This
study employs the momentum threshold error-correction model with
generalized autoregressive conditional heteroskedasticity to investigate
asymmetric co integration and causal relationships between West Texas

\textsuperscript{23} Yahyazadehfar M, BabaieA (2012). Macroeconomic Variables and Stock Price:
New Evidence from Iran, Middle East Journal of Scientific Research, 11(4): pp.408-
415.

\textsuperscript{24} Mishra RN, Mohan GJ (2012). Gold Prices and Financial Stability in India, RBI
working paper series, Department Of Economic And Policy Research. 2:1-16

\textsuperscript{25} Thai-Ha Le, Youngho C(2011). Dynamic Relationships between the Price of Oil,
Gold and Financial Variables in Japan: A Bounds Testing Approach, Online
athttp://mpra.ub.uni-muenchen.de/33030/ MPRA Paper No. 33030. The Evidence

\textsuperscript{26} Lee Y, Huang Y, Yang, H (2012). The Asymmetric Long-Run Relationship between
Available at SSRN: http://ssrn.com/abstract=1945967
Intermediate Crude Oil and gold prices in the futures market. From the study it is clear that an asymmetric long-run adjustment exists between gold and oil. Furthermore, the causality relationship shows that West Texas Intermediate Crude Oil plays a dominant role.

Graham Smith empirically investigated the relationship between gold prices and stock price indices on US market using Unit Root Test, Johansen’s Co Integration Test, Vector auto regression and VECM. He confirmed that the short-run correlation between return on gold and returns on US stock price indices is small and negative and for some series and time periods insignificantly different from zero. All of the gold prices and US stock price indices are I(1). Over the period examined, gold prices and US stock price indices are not co-integrated. Granger causality tests find evidence of unidirectional causality from US stock returns to return on the gold price set in the London morning fixing and the closing price.²⁷

Sharma and Mahendra estimated the long-term relationship between BSE and four macroeconomic variables consisting of exchange rates, foreign exchange reserve and inflation rate and gold price based on the secondary data between January 2008 and January 2009 using multiple

regression models. The study divulges that exchange rate and gold price influences the stock prices in India.28

In another study, Nath, G.C., et al. in their paper examine the extent of integration between Foreign Exchange and Stock market in India during the liberalization era. The results that they have derived from these techniques differ a lot. As per the former test it reveals the sign mild-to-strong causal relationship between returns in foreign exchange and capital markets during the study period. Whereas as per the latter test, there is a high degree of integration between the two and there is even bi-directional as well as contemporaneous causal relationship between them. 29

In case of India, Sarkar, P. et. al. found that there is no positive relationship exists between real and stock market variables either in short run or long run during 1950-51 to 2005.30

Masih, M.M. Abul and Masih, Rumi examined the dynamic linkage patterns among national stock exchange prices of four Asian newly industrializing countries - Taiwan, South Korea, Singapore and Hong Kong. The sample used comprised end-of-the-month closing share price indices of

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28 Sharma, G. D and Mahendra, M. Impact of Macro-economic Variables on Stock Prices in India, Global Journal of Management and Business Research/2010, 10(7), 41-54.


the four NIC stock markets from January 1982 to June 1994. They concluded that the study of these markets are not mutually exclusive of each other and significant short run linkages appear to run among them.\textsuperscript{31}

In a similar study by Bae, K, Cha, B, and Cheung, Y the researchers tried to show the information transmission mechanism that operates for stocks which are dually listed. This has helped in understanding the channel of transmission of information that makes the exchanges dependant on each other.\textsuperscript{32}

Poshakwale, Sunil examined the random walk hypothesis in the emerging Indian stock market by testing for the nonlinear dependence using a large disaggregated daily data from the Indian stock market. The sample used was 38 actively traded stocks in the BSE National Index. He found that the daily returns from the Indian market do not conform to a random walk. Daily returns from most individual stocks and the equally weighted portfolio exhibit significant non-linear dependence. This is largely consistent with previous research that has shown evidence of non-linear dependence in


returns from the stock market indexes and individual stocks in the US and the UK.  

Noor, AzuddinYakob, Diana Beal and Delpachitra, Sarath studied the stock market seasonality in terms of day-of-the-week, month-of-the-year, monthly and holiday effects in ten Asian stock markets, namely, Australia, China, Hong Kong, Japan, India, Indonesia, Malaysia, Singapore, South Korea and Taiwan. He concluded that the existence of seasonality in stock markets and also suggested that this is a global phenomenon.

Bhunia and Mukhuti in their study presented the gold price and stock market moves in an opposite direction when the economy is in a downturn and stock markets are going down, investors tend to park their funds in gold and wait out the storm. As the gold price rises, Indian investor stend to invest less in stocks, causing stock prices to fall. This study made on the co-movements of four macro economic variables interms of gold price, stock price, reflex change rate and the crude oil Price based on 21 years data using econometric models for the periods from January 1989 To September 2009.

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The study exposes that there is a co-integration relationship between the variables.  

Yahyazadehfar and Babaie have made a study to examine the impact of macroeconomic variables such as interest rate, house price and gold price on stock price in capital market of Iran based on monthly data from March 2001 to April 2011 using VAR and Johansen-Juselius model. From the study it is clear that most of fluctuation in stock price can be recognized to itself, nevertheless among the selected variables, the house price has main role on stock price fluctuation.  

Kaliyamoorthy and Parithi have made a study to examine the relationship between gold price and stock market for the period from June 2009 to June 2010. They prove that there is no relationship with the stock market and gold price and stock market is not aground for rising gold price.  

Sharma and Dasgupta has made a study to examine the long-run and short-run relationships between SENSEX and four key macro-economic

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variables (wholesale price index, index of industrial production, exchange rate and call money rate) of Indian economy by using monthly data from April, 2007 to March, 2012 with the application of financial econometrics. Empirical results of the study showed that there are no short-run causal relationships between SENSEX and four macro-economic variables but confirmed long-run relationships between BSE SENSEX with index of industrial production and call money rate.\textsuperscript{38}

A.Vinayagamoorthy and K.Senthilkumar in their study titled “An analysis of Postal Investment and Small Savings”, have shown that mobilization of domestic financial resource has remained a major concern in many developing countries. Despite the variety of vehicles that are intended to mobilize and allocate financial resources, only very few offer strategies for meeting the needs of poor and lower income people. Savings are increasingly being acknowledged as a powerful tool for poverty reduction. Postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers. Savings is the excess

of income over consumption expenditure. Savings are meant to meet contingencies and raise standard of living of individual savers.\textsuperscript{39}

N. Kathirvel A. Mekala in his study “Women Investors” Perception Towards Online Trading In Tamilnadu With Special Reference To Coimbatore District” shows that a good financial system provides the intermediation between savers and investors and promotes faster economic development. An investment share requires a careful evaluation of factors related to the economy, industry and the company. This analysis is called fundamental analysis. An investor is surrounded by many factors in her consideration of making investments. She is interested in liquidity of her assets. She is also interested by the fact that there is an increasing number of women working in the organization. i. To identify the demographic profile of women investors. ii. To identify the factors fluencing the women investors while making investment. iii, To suggest suitable measure to protect the interest of women investors. In this study the researcher used Descriptive research, which is concerned with describing the characteristics of a particular individual or of a group. The primary data have been collected from women investors. The data were collected using interview schedule method. The interview schedule for women investors is prepared in such a way that they are able to express their opinions freely and frankly. In

this research the researcher has selected Coimbatore District. There are many sample designs from which the researcher chooses in this study Convenience Sampling design. In order to find out association between factors associated with financial decision-making of women investors, two-way table according to their factor group was framed. Chi-square test is applied to them to find out the association between the selected variables and financial decision-making perception of women investors. The data collected are based on the questionnaire the results of which will vary according to the opinions of individuals. The study is based upon prevailing investor’s behaviour. The women investor may change according to time, fashion, technology, development etc. It could be seen from this that the calculated value is less than the table value at 5% level thus letting the null hypothesis be accepted. Hence it is clear that there is no association between savings per month and time taken for investment decision. Basic knowledge must be given to the investors about all types of investments, so that the investor can make a better choice that best suits their investment plan.

R. Ganapathi and S. Anbu Malar in their studied Investors Attitudes towards Post office Deposit Schemes. The post Office has long been known as a medium to inculcate the habit of thrift and savings among the agricultural workers. But over time, its role has changed and it has grown to

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40 N. Kathirvel A. Mekala (2010) „Women Investors Perception Towards Online Trading In Tamilnadu With Special Reference To Coimbatore District” Tecnia Journal of Management Studies Vol. 5 No. 1,
become one of the best avenues to channel investment from even the wealthy investors and use them fruitfully in nation building activities. There has been introduction of several types of deposit schemes that cater to the differing needs of different classes of investors. They are well-known for their tax saving schemes, high interest rates and the safety and liquidity that they offer. This has enabled them to compete successfully with the other avenues of investment available to investors like commerce, etc. This study is an attempt to identify the awareness, preference and attitudes of investors towards various deposit schemes offered by the Post Office among 300 respondents of the Coimbatore District.41

V.K. Shobhana and J.Jayalakshmi in their study titled “Investor awareness and Preferences - a Study” have examined the level of investor awareness regarding investment options and investment risks. The analysis revealed that investment in real estate/property is preferred by majority of the respondents. The second most preferred investment is bank deposits. Awareness about investment options and risks are high among old aged, highly educated and those who are professional by occupation42

Srinivasan R in his study titled “Investors Protection: A study on Legal Aspects” attempted to point out lapses in the various legal provisions

which were meant for safeguarding the interest of investors in Corporate Segment. It had been observed that the capital market has emerged as a major source of finance for Indian corporate sector and also served as a gateway to the investors to employ their savings. His study was to identify the avenues available to the investing community and examine the adequacy of various protective measures in the existing statues and conducted the survey to elicit investors’ opinion.

Dash R.K. and Panda J in their paper titled “Investors’ Protection: An analysis” have critically examined the need for investors’ protection. They found that unincorporated bodies and Nidhis (Mutual benefit funds) whose deposit acceptance activities did not come under the guidelines of the Reserve Bank of India shook the investor’s confidence for the past several years. They stated that the poor growth level, dearth of innovative schemes, poor marketing and unsatisfactory investor servicing etc. were the reasons for the low level of confidence in the minds of the investors.43

Gaurav Kabra, Prashant Kumar Mishra and Manoj Kumar Dash titled “Factors Influencing Investment Decision of Generations in India: An econometric Study” aimed at gaining knowledge about key factors that influence investment behavior and ways these factors impact investment risk tolerance and decision making process among men and women and among

different age groups. The individuals may be equal in all aspects, may even be living next door, but their financial planning needs are very different. It is by using different age groups along with Gender that synergism between investors can be generated. In this context, demographics alone no longer suffice as the basis of segmentation of individual investors. Hence keeping this in mind, the present study is an attempt to find out factors which affects individual investment decision and Differences in the perception of Investors in the decision of investing on basis of Age and on the basis of Gender. The study concludes that investors’ age and gender predominantly decides the risk taking capacity of investors.44

Singh and Chander pointed out that since interest rates on investments like public provident fund, national savings certificate, bank deposits, etc., are falling, the question to be answered is: What investment alternatives should a small investor adopt? Direct investment in capital market is an expensive proposal, and keeping money in savings schemes is not advisable. One of the alternatives is to invest in capital markets through mutual funds. This helps the investor avoid the risks involved in direct investment. Considering the state of mind of the general investor, this article figured out the preference attached to different investment avenues by the

investors; the preferences of mutual funds scheme over others for investment; the source from which the investor gets information about mutual funds; and the experience with regard to returns from mutual funds. The results showed that the investors considered gold to be the most preferred form of investment, followed by NSC and post Office schemes. Hence, the basic psyche of an Indian investor, who still prefers to keep his savings in the form of yellow metal, is indicated. Investors belonging to the salaried category, and in the age group of 20-35, years showed inclination towards close-ended growth (equity-oriented) schemes over the other schemes types. A majority of the investors based their investment decision on the advice of brokers, professionals and financial advisors. The findings also revealed the varied experience of respondents regarding the returns received from investments made in mutual finds.45

Gnana Desigan C in his study titled “Investors’ Perception towards Equity Share Investment – An Empirical Study” has examined the investment pattern of the equity investors and the problems of equity share investors in primary and secondary market. The analysis revealed the attitude and perception of the investors towards equity share investment. The study reveals the demographic profile of the investors. Most of them prefer balanced risk and prefer to monitor their investments daily. It is clear that

speculative value is the main factor to make investments in equity shares. The main problems faced by the equity share investors are non-receipt of share certificate and delay in payment. Investors can be induced to invest more in equities, provided measures are taken to overcome the above said problems.\(^{46}\)

Krishnamurthy Suresh in an analysis of popular perceptions has said that retail investors swarmed back to the stock markets in the year 2003-04. The investments of households in shares and debentures rose by a paltry 8.6 per cent of Rs. 5,847 crore in 2003-04. Households had deposited Rs.1,69,000 crore in bank deposits while investments in small savings rose 19 percent. The data suggest that in 2003-04 the household investor had turned extremely conservative.\(^{47}\)

Schwarzkopf pointed out that the attraction effects occur when an inferior item changes a decision-maker’s perception of the relationship between other available alternatives, contrary to the expectations of rational decision-making. This study presented the first evidence that this effects which has appeared persistently in consumer research, can influence investment decisions. Results of an experiment conducted on graduate


students with investing experience or interest showed that the investor’s perceived values of reported financial or non-financial performance, quality of earnings, and information source reliability were subject to trade-offs and can be altered by the composition of the decision set, rather than by any intrinsic changes in the investment candidate itself.\(^\text{48}\)

Karthikeyan has conducted research on Small Investors' Perception on Post Office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for Kisan Vikas Patra (KVP), National Savings Schemes (NSS and Deposit Scheme for Retired Employees (DSRE), and the overall score confirmed that the level of awareness among investors in the old age group was higher than in those of the young age group. No difference was observed between male and female investors except for the NSS and KVP. Out of the factors analysed, necessity of life and tax benefits were the two major ones that influence the investors both in semi-urban and urban areas. Majority (73.3 per cent) of investors of both semi-urban and urban areas were very much willing to invest in small savings schemes in future provided they have more for savings.\(^\text{49}\)


After reviewing various literatures the researcher has come to know that no studies were found on the chosen topic. To fill the gap it is necessary to undertake a Study on the Risk Return Analysis of Bullion and Equity Market and hence this study.

2.3. Summary

In this chapter, the researcher has presented various literature based on research undertaken by different authors related to different concepts like risk and return relationship in stock market and commodity prices, Investor’s Preference and Risk and Return Analysis of bullion market like precious metals are gold and silver, efficiency of the markets for gold and silver, long run relationship between gold and silver prices, Investment Perspective, Multifactor Model of Gold Industry Stock Returns, Precious Metals and inflation, Oil Price Risk and Emerging Stock Markets, Gold Prices, Exchange Rates, Macroeconomic Influences on the Stock Market, effect of gold and oil prices upon international stock market indexes, `Dynamic relations between macroeconomic variables and the Japanese stock market, Exchange rate and Stock price interactions in emerging financial markets, Aggregate Economic Variables and Stock Markets in India, Determinants Of BSE SENSEX, Gold Prices and Financial Stability in India, Impact of Macro-economic Variables on Stock Prices in India, Integration between FOREX and Capital Markets in India, comparative