PREFACE

Stock market is always considered a place full of uncertainty and volatility. Volatility is a very important feature which can’t be ignored. Different factors like investor sentiments, information, international factors, Future and Options contracts settlement are responsible for the variations in returns in Indian stock market. Indian stock market being an important part of emerging Indian economy attracts foreign capital which enhances the fluctuations more. It is very important to understand the behaviour of the stock market so that an investor can be careful at the time of investment.

The volatility behaviour of stock market has its serious concern for any country to analyze its future implications. Efficiency of the stock market, seasonality and dependence of emerging & developed economies are some important issues which require attention for further exploration. The present research is done to understand whether Indian stock market is weak form efficient or not. Day-of-the-Week effect and Month-of-the-Year effect is examined to see that any particular time is more important from the point of view of investment. Linkages of Indian stock market with the stock markets of few other emerging economies and developed economies are also undertaken.

The whole research work is divided into seven chapters. Chapter one includes the introduction of the topic. Chapter two gives an overview of the research methodology. Chapter three explains the volatility and return relationship. Chapter four discusses weak form efficiency of Indian stock market. Chapter five briefs the seasonal anomalies in Indian stock market. Chapter six explains inter-dependence of Indian and other international markets. Chapter seven proposes findings, conclusion, implications of the study and scope for future research work.