CHAPTER: - 5.

SUMMARY, FINDINGS AND SUGGESTIONS.
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Summary, Findings and Suggestions.

5.1 SUMMARY.

CHAPTER-1.

CONCEPTUAL FRAMEWORK OF CAPITAL MARKET AND PRICE VOLATILITY.

This chapter is consisted with a conceptual part of Indian Capital Market and Price volatility of stocks of Stock market. This chapter is consisted by introduction of capital market with vary beginning of securities market in India with a Bombay stock exchange, long back history of capital market in Indian and history of equity trading in India in July 9, 1875 Native brokers form The Native Share and Stock-Brokers' Association in Mumbai. Membership fee is Re 1, and there are 318 members on the list, to 19 October 2010 BSE introduced the 15-minute special pre-open trading session, a mechanism under which investors can bid for stocks before the market opens. The mechanism, known as 'pre-open session call auction', lasted for 15 minutes (from 9:00-9:15 am). And Structure of capital market in India like new issue market with various functions (Issues) like public, private and bonus and rights and other side secondary part of capital structure is secondary market(Stock Market),old market with some functions like listing of shares and clearing and settlement procedures. Under functions of Capital market included the Mobilization of saving, promotions of industrial growth, Raising long term funds, Ready and continuous market, Proper channelization of funds and Provision of a variety of services etc. Growth of Capital Market shows through growth of government securities market. In 1992 government securities market was about 12000 crore which was raised with 181747 core in 2005-06 as far as secondary market are concerned gilt edged market has emerged as government securities market. Corporate securities market after post liberation era corporate sectaries market has got tremendous boosts and primary market growth like new issue market and pre 1990 there was debenture trend, and government debt market with specially bond issue, mutual funds was 2000 era comes into lights for
small and medial mutual funds for investors. Secondary market growth was shown with no of stock exchanges, market value of share, Capital rose in market in percentage. Other side also included factor contributing the growth of capital market, Establishment of development banks and industrial financing institutions, growing public confidence, increasing awareness of investment opportunities, setting up of SEBI and Credit rating agencies etc. divisions of capital market in India are shown as new issue market, secondary market with their feature, functions like Origination, underwriting and institutional underwriting and non-institutional underwriting etc. Secondary part as secondary market, functions and Development and pattern of growth of Indian stock markets and Table -1.4 for fully detailed of Stock exchanges, and history of BSE, functions, their indices with as specially SENSEX, and their Constitution and Calculation and Major part of various sector in SENSEX. Other Indices with Script selection criteria and Table-1.5 shows history of replacement in SENSEX of BSE India. Under standings of free float methodology which considered market capitalization and their calculation, major advantages of free float method, determinates of free float factor of company and Table-1.1.6 shows a free float bands with index closure arithmetic, maintenance of the SENSX with replacement of stocks, online computation of Index, adjustment of Rights, Bonus and newly issued shares and index frequently reviews etc. it is included other indices like BSE-100 index with their introduction to calculation and other like Dollex-100,BSE-200, and general guideline for scripts selections for BSE-100,Dollex-100 and BSE-200 indices and Dollex serious of BSE are shown like BSE-500, selection of base year and index base value etc. BSE-IPO index with their begging, criteria governing for IPO-Index listing for companies, other indices like BSE-Sectors Indices like (90 FF) indices, BSE Auto Index ,BSE BANKEX ,BSE Capital Goods Index, BSE Consumer Durables Index ,BSE FMCG Index ,BSE Healthcare Index ,BSE IT Index ,BSE Metal Index ,BSE Oil & Gas Index ,BSE Power Index ,BSE Realty Index and script selection criteria for BSE-Sectors Indices with a eligible universe, Trading frequency, market Capitalization and Buffer, Index review system. BSE-TECk index and introduction of index and eligible universe, trading frequency, market Capitalization and Buffer, Index review system, BSE PSU Index and their computation and objective of construction etc. NSE introduction with their establishment and initial stage with their national wise trading and other functions of NSE, Objectives of NSE for Equity, Derivatives and Debt Segment of the, Mission and Vision and Values and family of
the NSE like NSCCL, NCCL and NSETECH and IISL and DOTEX International Limited etc, NSE IT and affiliated and associated companies NSDL, and Depth History of SEBI, like Introduction, objectives and Establishment of SEBI, Management of SEBI, Various objectives of SEBI and Power of SEBI and Power to seek information and power to inspection and Powers of Civil Court Exercisable by SEBI, Powers of SEBI Where an Inquiry or Investigation is ordered, Power to Issue Directions, Power of Search and capture, Power to Order finish and end, Power of SEBI under SCRA, and Stock price volatility and their steps of computations and types of volatility actual historical volatility and implied volatility and current implied volatility and future implied volatility etc,

CHAPTER-2

SAMPLE PROFILE.

Indian market playing important role in world market and contribution of various industries from Indian side, where as BSE- Indian sectors like IT, BAKING, AUTOMOBILES, PAPER AND PHARAM and other miscellaneous sectors etc, in which BSE-100 companies are playing significant role and all BSE-100 Companies shown in chapet-2, Sample Profile began with ABB LTD, it is largest Automation and Technology based company serving since 50 years and having complete package of varieties and satisfying the need of the consumers, they having 18 marketing officers, 8 service centers and 3 logistics with 800 channel partners, it was born as a Hindustan Electric Company Ltd in December 24 1949. ACC LTD, it was incorporated in 1 august 1996 with a Ten Cements companies merger as The Associated Cement Companies Ltd, it is big fish in cement companies at industry level. ADANI ENTERPRISE LTD, it was incorporated 1993, it is Indian base company primary interested with energy and logistics sector and also having diversified mining, real estate, Adani Gas, adani infrastructure etc, ADANI PORT AND SEZ LTD, it was incorporated on 1998 with special facilities like providing multi facilities like SEZ, it has wide range of product SEZ, developed by GAPL and in 2007 October it listed their share on stock exchanges like NSE, BSE with IPO entry in market. ADANI POWER LTD, it is power company commenced their business on September 4, 1996 and power business included the generation, accumulation, distribution and supply of power and to normally contract in electricity and to explore,
develop etc. In year 2009-10 ADANI POWER enter in capital market with IPO of 30,16,52,031 equity shares of Rs.10 each at a premium of Rs.90 per share, the shares of the company were listed at BSE and NSE on august 20,2009. AMBUJA CEMET LTD, this big body of cement sector was incorporated through joint venture of two units, Gujarat industrial investment corporation (GIIC) and Narrotum Sekhsaria Association in 1981 as Ambuja Cement Pvt Ltd. It has eight cement units and other subsidiaries company and has large capacity of cement production. ASHOK LEYLAND LTD, it is collaborated company with Austin motor England and got name of Ashok Leyland after agreement with Leyland UK based company in 1950, it is producing commercial vehicle and automobiles components, ASIAN PAINT LTD; it was incorporated in 1945 with Asian Paints Ltd and name of the company changed with Asian Paint (India) ltd. It largest paint company of India and converted as a public company, having units in most of cities and many types of varieties product in color business. ASIX BANK, it is most growing bank in private sectors with four segments business like treasury, retail banking, corporate and other banking. The bank is registered office is located at Ahmadabad and central office at Mumbai and has a very wide network of more than 1042 branches (including 56 service branches and network of over 4471 ATM 24 hrs a day banking etc. BAJAJ AUTO LTD, it is incorporated on 30 July 2007 as wholly owned subsidiaries of erstwhile Bajaj auto ltd, it is leading two and three wheeler manufacturers in India. It is well known for their R&D, product development and process engineering and low cost manufacturing skills and having varieties of product with innovation. BANK OF BARODA, it is leading commercial banks in India. The banks solutions like personal banking including deposits, gen-next services, retail loans, credit cards, services and lockers, business banking etc. it was incorporated in 20 July 1908. BANK OF INDIA, it is state owned bank headquarters at Mumbai, it has their presence at 29 locations in 18 countries across four countries. They are having 3101 branches. BHARAT FORGE LTD, it was incorporated in 1961 and commence their production in 1996, it is MNCs, its main business is metal forming having 11 manufacturing locations, services like automobiles, power, oil and gas, rail & marine, it is a part of kalyani group. It supplies their components to UK, JAPAN US etc. BARATI AIRTELL LTD, it was incorporated in 1995 and it is world’s leading telecommunication services providers and having presence in 19 countries including India & south Asia and Africa. It is largest wireless service provider in India, based on the number of
customers. BHEL LTD, it was incorporated in year 1964, it is integrated power plant equipment manufacturer and one of the largest engineering and manufacturing companies in India. It is proving the design, engineering, manufacture, construction, testing etc. BPCL, it was incorporated on Nov-1952; the company operates in a single segment - Refinery and marketing activities, which includes downstream petroleum sector. They are also engaged in the Exploration and Production of Hydrocarbons (E&P). CAIRN INDIA LTD, it was incorporated on 21 august 2006, it is biggest private player in exploration of oil, mines etc. CANARA BANK, it was incorporated on July 1, 1910; the name of the bank was Canara Hindu Permanent Fund Ltd. It was changed from Canada Hindu Permanent Funds Ltd to Canara Bank. It main business is treasury operation, retail banking, wholesale banking etc. COAL INDIA LTD, it was incorporated on June 14 1973 as a private company name was coal mines authority pvt ltd; it is ministry of coal undertakings having headquarter at Kolkata. COLGATE PAMOLIVE INDIA LTD, it was incorporated on 1937, it is oral care company, product of the company are surface care. CROMPTON CREAVEAS LTD, it was incorporated on 1937 in Mumbai as Crompton Parkinson works ltd, CUMMNIS INDIA, it was incorporated in year 1962 with the name of Kirloskar Cummins ltd. DABUR INDIA LTD, it is a leading FMCG of India and it is provides five flagship brands with distinct brand identities. DIVIS LAB. It is Pharma Company of India; it was incorporated on 1990, as a divis research Center (DRC) with Research & Development as their prime fundamental. DLF, it is incorporated in 1949 and it is main business of immigration and real estate development. DR.REDDY, it is incorporated on 1984 in hyderabad and company offers a portfolio of products and services including Active Pharmaceutical Ingredients (APIs), Custom Pharmaceutical Services (CPS), generics, biosimilars, differentiated formulations and New Chemical Entities (NCEs) through their three businesses - Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products. ESSAR OIL, it is incorporated in 1989 as a public limited company, Essar Oil Ltd is a fully integrated oil & gas company of international scale with a strong presence across the hydrocarbon value chain. EXIDE INDUSTRY, it was incorporated on January 31 1947; Exide Industries Ltd manufacturers lead acid storage batteries. The company is engaged in manufacturing storage batteries from 2.5 ampere-hour to 20,400 ampere-hour. FEDERAL BANK, Federal Bank Ltd was incorporated on April 28, 1931 with the name Travancore Federal Bank Ltd. Federal
Bank Ltd is engaged in the banking business. The Bank operates in four segments: treasury operations, wholesale banking, retail banking and other banking operations. Treasury operations include investment and trading in securities, shares and debentures. GAILINDIA, it was incorporated on August 16, 1984 as a public limited company with the name Gas Authority of India Ltd. It is main business is Exploration & Production, Processing, Transmission, Distribution and Marketing) and its related services. GLENMARK PHARMA, Glen mark Pharmaceuticals Ltd was incorporated in the year 1977,Glen mark Pharmaceuticals Ltd is a research-driven, global, integrated pharmaceutical company. GRM INFTRA, it is main business GMR Infrastructure Ltd was originally incorporated on May 10, 1996 as a public limited company with the name Varalakshmi Vasari Power Projects Ltd in the State of Andhra Pradesh, GMR Infrastructure Ltd is the infrastructure holding company formed to fund the capital requirements of various infrastructure projects across the sectors, GODREJ, Godrej Consumer Products Ltd was incorporated on November 29, 2000 as a public company and was promoted by Godrej & Boyce Manufacturing Company. Godrej Consumer Products Ltd is one of the leading Fast Moving Consumer Goods (FMCG) companies in India. GRASIM, Grasim Industries Ltd was incorporated on August 25, 1947, Grasim Industries Ltd, a flagship company of the Aditya Birla Group, ranks among India's largest private sector companies, HCL TECHNOLOGY, HCL Technologies Ltd were incorporated in the year 1991 as HCL Overseas Ltd. HCL Technologies Ltd is a global technology company. The company is primarily engaged in providing a range of software services, business process outsourcing and infrastructure services. HDFC LTD, Housing Development Finance Corporation Ltd was incorporated in the year 1977. Housing Development Finance Corporation Ltd is India's premier housing finance company. The Corporation's main business is to provide loans for the purchase or construction of residential houses. HDFC LTD, HDFC Bank Ltd was incorporated on August 30, 1994 by Housing Development Finance Corporation Ltd. HDFC Bank Ltd is a major Indian financial services company based in Mumbai. The Bank is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. HDIL, Housing Development & Infrastructure Ltd was incorporated in July 1996 as a private limited company with the name Housing Development and Improvement India Pvt Ltd. Housing Development and Infrastructure Ltd (HDIL) is one of the premier real estate
development companies in India and is actively pursuing on the development of real estate and slum rehabilitation projects in Mumbai Metropolitan region. HERO HONDA MOTOR CROP, Hero Moto Corp Limited was incorporated in the year 1984 with the name Hero Honda Motors Ltd. Hero Moto Corp Limited is the World's single largest two-wheeler motorcycle company. The company is engaged in the manufacture of two wheelers motorcycles and its parts. HPCL, Hindustan Petroleum Corporation Ltd was incorporated in the year 1952 with the name Standard Vacuum Refining Company. Then, the name was changed to ESSO India; it is one of the major integrated oil refining and marketing companies in India. HUL, Hindustan Unilever Ltd was incorporated in the year 1933 as Lever Brothers India Ltd, it is FMCG Companies having seven segments. ICICI BANK, ICICI Bank Ltd was incorporated in the year 1994 as a part of the ICICI group with the name ICICI Banking Corporation Ltd; they are a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. IDBI BANK, IDBI Bank Ltd was incorporated in the year 1964 as a wholly owned subsidiary of Reserve Bank of India with the name Industrial Development Bank of India, IDEA CELLULAR, IDEA Cellular Ltd was incorporated in the year 1995 with the name Birla Communications Ltd. The company obtained licenses for providing GSM-based services in the Gujarat and Maharashtra Circles following the original GSM license bidding process. IDEA Cellular Ltd is a leading GSM mobile services operator in India with over 72 million subscribers, under brand IDEA. IDFC LTD, Infrastructure Development Finance Company Ltd was incorporated on January 30, 1997 as a public limited company with their registered office at Chennai, Infrastructure Development Finance Company Ltd (IDFC) is India's leading integrated infrastructure finance player providing end to end infrastructure financing and project implementation services. INDIABULLS, India bulls Financial Services Ltd was incorporated on January 10, 2000 as a private limited Company with the name Orbis InfoTech Pvt Ltd. India bulls Financial Services Ltd is one of the India's leading and fastest growing private sector financial services companies in India providing Home Loans, Consumer Vehicle Loans, Loans to SMEs and Business Loans. INDULAND, IndusInd Bank Ltd was incorporated in the year 1994 and was promoted by Mr Srichand P Hinduja, a leading Non-Resident Indian businessman and head of the Hinduja Group, IndusInd Bank Ltd is one of the new generation private sector banks in India. The Bank's business lines include corporate
banking, retail banking, treasury and foreign exchange, investment banking, capital markets, non-resident Indian/high-net-worth individual banking, and information technology. INFOYSIS, Infosys Ltd is a public limited and India's second largest software exporter company was incorporated in the year 1981 as Infosys Consultants Pvt Ltd by Mr.N.R.Narayana Murthy at Karnataka. Infosys Ltd is a global technology services firm that defines designs and delivers information technology (IT)-enabled business solutions to their clients. INDIAN OILCORP, Indian Oil Corporation Ltd was established in the year 1959 as Indian Oil Company Ltd. In the year 1964, Indian Refineries Ltd merged with Indian Oil Corporation Ltd, Indian Oil Corporation Ltd (Indian Oil) is India's flagship national oil company with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas, marketing of natural gas and petrochemicals.ITC, ITC Ltd is one of India's foremost private sector companies, The company ranks among India's '10 Most Valuable (Company)Brands', in a study conducted by Brand Finance and published by the Economic Times. JAIPRAKASH, Jaiprakash Industries Ltd was amalgamated with the company with effect from April 1, 2002 and the name of the company was changed from Jaypee Cement Ltd to Jaiprakash Associates Ltd with effect from March 11, 2004, it is a diversified infrastructural industrial conglomerate in India. JINDAL, Jindal Steel and Power Ltd were incorporated in the year 1979, Jindal Steel and Power Ltd (JSPL) is one of India's major steel producers with a significant presence in sectors like Mining, Power Generation and Infrastructure. JSPL is a part of the about US $ 15 billion diversified O. P. Jindal Group and is consistently tapping new opportunities by increasing production capacity, diversifying investments, and leveraging its core capabilities to venture into new businesses.JSW LTD, JSW Steel Ltd was originally incorporated as Jindal Vijayanagar Steel Ltd on March 15, 1994.JSW Steel Ltd, the flagship company of the JSW Group, is an integrated steel manufacturer. JSW Steel is the largest private sector steel manufacturer in terms of installed capacity. KOTAK MAHINDRA LTD, Kotak Mahindra Bank Ltd is one of the fastest growing bank and among the most admired financial institutions in India. L&T, Larsen & Toubro Ltd was incorporated in the year 1946 as a private limited company. Larsen & Toubro Ltd (L&T) is a technology, engineering, construction and manufacturing company. The company is one of the largest and most respected companies in India's private sector.LIC FINANCE, LIC Housing Finance Ltd was
incorporated on June 19, 1989; LIC Housing Finance Ltd is one of the largest Housing Finance Company in India. LUPIN, Lupin Ltd was incorporated in the year 1983 with the name Lupin Chemicals Ltd; Lupin Ltd is an India-based pharmaceutical company. The company produces a range of generic and branded formulations and Active Pharmaceutical Ingredients (APIs). MAHINDRA&MAHINDRA, Mahindra & Mahindra Ltd was incorporated on October 2, 1945 with the name Mahindra & Mohammed Ltd, Mahindra & Mahindra Ltd is an India-based company. The company operates in nine segments: automotive segment comprises of sales of automobiles, spare parts and related services; MARUTI SUZUKI, Maruti Suzuki India Ltd was incorporated on February 24, 1981 with the name Maruti Udyog Ltd, Maruti Suzuki India Ltd (formerly Maruti Udyog Ltd) is India's largest passenger car company, accounting for over 50 per cent of the domestic car market. NESTLE, The Company’s head office is located in Gurgaon, Haryana. Nestle India Ltd was incorporated in the year 1956, Nestle India Ltd, one the biggest players in FMCG segment, has a presence in milk & nutrition, beverages, prepared dishes & cooking aids & chocolate & confectionery segments. NTPC LTD, NHPC Ltd was incorporated on November 7, 1975 as a private limited company under the name National Hydro Electric Power Corporation Pvt Ltd. NHPC Ltd is a Mini-Ratna Category-I Enterprise of the Government of India. The company is one of the largest organizations in the field of hydro power development in the country. NTPC LTD, NTPC Ltd was incorporated on November 7, 1975 as a private limited company with the name National Thermal Power Corporation Pvt Ltd. ONGC, The ONGC International Pvt Ltd was incorporated in the year 2001 as 50:50 joint venture projects with Indian Oil Corporation Ltd with aim of providing Training, Consultancy & Services in Hydrocarbon Sector and later company has decided to Wind up ONGIO due to loss. PNB, Punjab National Bank is a state-owned commercial bank located in New Delhi. The Bank is one of the Big Four Banks of India. POWER FINANCE CORP, Power Finance Corporation Ltd was incorporated on July 16, 1986 as a public limited company. Power Finance Corporation Ltd is a leading power sector public financial institution and a non-banking financial company providing fund and non-fund based support for the development of the Indian power sector. POWER GRID CORP LTD, Power Grid Corporation of India Ltd was incorporated on October 23, 1989 with the name National Power Transmission Corporation Ltd; Power Grid Corporation of India Ltd is India's principal electric power transmission company.
RENBAXY, Ranbaxy Laboratories Ltd was incorporated in the year 1961. Ranbaxy Laboratories Ltd, India's largest pharmaceutical company, is an integrated, research based, international pharmaceutical company, producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. RELIANCE CAPITAL, Reliance Capital Ltd was incorporated in year 1986 at Ahmadabad in Gujarat with the name Reliance Capital & Finance Trust Ltd. Reliance Capital Ltd, a part of the Reliance Anil Dhirubhai Ambani Group, is one of India's leading and most valuable financial services companies in the private sector. RELIANCE REFINARY, Incorporated as Reliance Refineries Pvt Ltd in Sep.'91, Reliance Petroleum (RPL) got its name in Apr.'93. It was promoted by Reliance Industries (RIL), belonging to the Ambani group. RIL holds 64% equity stake in RPL. RCOM, Reliance Communications Limited is the flagship Company of Reliance Anil Dhirubhai Ambani Group, India's third largest business house. The company is India's largest private sector information and communications company, with over 100 million subscribers. RELIANCE INFRASTRUCTURE, Reliance Infrastructure Limited (RInfra) is a part of the Reliance Group, India's third largest business house. The company is one of India's fastest growing companies in the infrastructure sector; RELIANCE POWER, Reliance Power Ltd was incorporated on January 17, 1995 as a private limited company with the name of Bawana Power Pvt Ltd, Reliance Power Ltd is part of the Reliance Anil Dhirubhai Ambani Group, one of India's largest business houses. RURAL ELECTRO, Rural Electrification Corporation Ltd was incorporated on July 25, 1969 at New Delhi as a private limited company with the name Rural Electrification Corporation Pvt Ltd. SAIL, Steel Authority of India Ltd was incorporated on January 24, 1973; Steel Authority of India Ltd (SAIL) is the leading steel-making company in India. The company is a fully integrated iron and steel maker, producing both basic and special steels for domestic construction, engineering, power, railway, automotive and defense industries and for sale in export markets. SBI, State Bank of India was incorporated in the year 1955. State Bank of India is the largest state-owned banking and financial services company in India. The Bank provides banking services to the customer. The Bank provides a range of financial services, which include life insurance, merchant banking, mutual funds, credit card, factoring, security trading, pension fund management and primary dealership in the money market. SESA GOA, Sesa Goa Ltd was incorporated in the year 1965. SRIRAM TRAN.FIN, Shriram Transport Finance Company Ltd was
incorporated on June 30, 1978 as a public limited company. Shriram Transport Finance Company Ltd, a flagship company of Shriram group is India's largest player in commercial vehicle finance. SIEMENS, Siemens Ltd was incorporated in the year 1957 as Siemens Engineering and Manufacturing Company of India Pvt Ltd. Siemens Ltd provides technology-enabled solutions operating in the core business segments of industry, energy and healthcare. STERLITE INDUSTRIES LTD, Sterlite Industries India Ltd was incorporated on September 8, 1975 with the name Rainbow Investment Ltd. Sterlite Industries India Ltd is India's largest non-ferrous metals and mining company and is one of the fastest growing private sector companies. SUNPHARAM, Sun Pharmaceutical Industries Ltd was incorporated in the year 1983. Sun Pharmaceutical Industries Ltd is an international specialty pharma company. The company manufactures and markets pharmaceutical formulations as branded generics, as well as generics in India, the United States and several other markets across the world. SUZLON, Suzlon Energy Ltd was incorporated in the year 1995. Suzlon Energy Ltd is India's first home-grown wind technology company and the fifth largest wind power supplier. TATA CEMICAL, Tata Chemicals Ltd was incorporated on January 23, 1939. It is a global company with interests in businesses that focus on LIFE - living, industrial and farming essentials. TATA GLOBAL, Tata Global Beverages Ltd is the second-largest tea company in the world, operating in over 40 countries. It is engaged in processing, marketing and distribution of tea products. TATA MOTER, Tata Motors Ltd is India's largest automobile company. It is the leader in commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. TATA POWER, Tata Power Company Ltd was incorporated in the year 1919; it is India's largest integrated private power company. It operates in two segments: power, which is engaged in the generation, transmission and distribution of electricity. TATA STEEL, Tata Steel Ltd was incorporated in the year 1907 with the name Tata Iron & Steel Company Ltd; it is world's 10th largest steel company and the world's 2nd most geographically diversified steel producer. TCS, Tata Consultancy Services Ltd was incorporated in the year 1968, Tata Consultancy Services Ltd is an information technology (IT) company. It offers a range of IT services, outsourcing and business solutions. TITAN INDUSTRY, Titan Industries Ltd was incorporated in the year 1984 and commenced their business in the year 1986; it is world’s fifth largest wrist watch manufacturer and India's leading producer of watches. The
company is engaged in manufacturing of watches, jewelry, precision engineering and Eyewear. ULTRATECH, UltraTech Cement Ltd was incorporated on August 24, 2000 as a public limited company with the name L&T Cement Ltd as a 100% subsidiary of Larsen & Toubro Ltd. UBI, Union Bank of India was originally incorporated on November 11, 1919 in Mumbai with the name The Union Bank of India Ltd it is one of largest state-owned banks in India and is listed on the Forbes 2000. The Bank's business segments include Treasury Operations, Retail Banking Operations, Corporate Wholesale Banking and Other Banking Operations. UNITECH, Unitech Ltd was incorporated in the year 1972 by four civil engineers as a soil testing company. UNITED PHOSP, United Phosphorus Ltd is a global generic crop protection, chemicals and seeds company; it was incorporated on January 2, 1985 with the name Vishwanath Commercials Ltd. UNITED SPRITS, United Spirits Ltd was incorporated in the year 1999 as McDowell Sprits Ltd, it is engaged in the business of manufacture, purchase and sale of beverage alcohol (spirits and wines), including through tie-up units/ brand franchises. WIPRO, Wipro Ltd was incorporated in the year 1945 at Karnataka by Azim H Premji who is promoter and chairman of the company. it is a leading India based provider of IT Services providers. YES BANK, Yes Bank Ltd was incorporated on November 21, 2003; it is engaged in providing a range of banking and financial services. The Bank operates in four segments: Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations. ZEE ENTERPRISE, Zee Entertainment Enterprises Ltd was incorporated in the year 1982, it is one of India's leading television, media and Entertainment companies.

CHAPTER-3

RESEARCH METHODOLOGY:-

In this chapter all research related aspects are covered began with an introduction of research in volatility and volatility’s significance and problem identification included volatility causes like external factor, political, technological, economical and other factors like trading practices of investor and their awareness about the securities various aspects. The title of “An analysis of stock price of BSE- 100 Companies of India,” The Review of literature are included the various literature of theoretical and practical aspects of volatility in Indian stock markets and international stock markets,

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION.

In this chapter data analysis and interpretation are included analysis which are divided into two parts first part of analysis is part (A) this is for analysis of Volatility like average price volatility table 4.1, high price volatility table 4.2, low price volatility table-4.3, volume of the share of bse-100 companies table-4.3, No of trades of Bse-100 companies 4.4, Turnover of the Bse-100 companies table-4.5. Other side part (B) of analysis included the financial indicates like EPS, MPS and PE of all BSE-100 Companies during the study period. Whereas a Table-4.6 about T-test on Average MPS & PE of BSE-100 companies, Table-4.7 about T-test on MPS & PE of
BSE-100 companies. Table-4.7 about T-test on PE & EPS of BSE-100 Companies. Interpretation of all Tables are shown in below all table tested though hypothesis of study as per requirement of the study.

CHAPTER-5

SUMMARY, FINDINGS AND CONCLUSION.

In this chapter brief overview of the all chapter are shown like chapter-1 conceptual framework of the capital market and price volatility and all aspects of the chapter are covered. Chapter-2 are included all bse-100 companies brief profile each companies incorporation period and their major business and in chapter-3 research methodology considered all aspects of research and chapter-4 data analysis and interpretation and all tables and their interoperation are shown in the chapter. Chapter-5 about all summery, findings and suggestions etc.

5.2 FINDINGS:

The following are found from this research study, which is listed below, in case of analysis of data with relation to volatility research is found the following, Average Stock Price Volatility during the study period where as volatility of average stock price are taken in to consideration(OP+CL/2) and their daily return’s natural logarithm are taken on average of yearly basis(1/4/ to 31/3) and Standard Deviation of Annual return are taken as final SD(volatility) of study and ANOVA test is performed for result purpose, where as in case of average stock price volatility result are found. Findings of the study are divided on two parts one is findings on the basis of Analysis of Volatility and second is Findings on the basis of T-test of EPS, AMPS, and PE of BSE-100 companies.

(A). Findings on the basis of ANOVA for Volatility.

- An analysis of average price volatility of bse-100 companies during the study period, the researcher has found that an average stock price volatility of BSE-100 companies is different during the study period.
• On the basis of average stock price volatility, it is found significance different between average share prices of the BSE-100 companies during the study period.

• An analysis of average stock price volatility found that most volatile stock is UNITECH, JINDAL STEEL, NDMC, SESA GOA, STARLINE INDUSTRIES LTD, HINDUSTAN ZINK, with an average volatility of 124.3%, 88.45%, 87.49%, 83.94%, 81.43% and 75.85% respectively.

• Researcher has found lowest volatile stock among BSE-100 companies are HINDUSTAN UNILEVER LTD, COLGATE PALMOLIVE LTD, NESTLE LTD, HERO HONDACROP LTD, and ASIAN PAINT LTD with an average stock price volatility 24.14%, 25.02%, 25.30%, 26.95% and 27.01% respectively.

• Year wise analysis shown an average share price volatility of BSE-100 companies found most volatile in 2008-09 with a volatility of 55.65%, and lowest year for all BSE-100 companies found in 2005-06 with a volatility of 39.49%.

• Average stock price volatility found constantly decreased in last two years of the study 2009-10 and 2010-11 with a volatility of 41.48%, 41.18% respectively.

• Researcher has found in case of high share price volatility that high share price volatility is different in all BSE-100 companies during the study period.

• On the basis on high share price volatility, researcher has found that there is significant different between in High share prices within the sample units during the study period.

• In high share price volatility researcher found most volatile stocks like UNITECH (125%), UNITED BEVERIES LTD (93.02%), NDMC LTD (92.67%), JINDAL STEEL&POWER LTD (90.86%), and STARLINE INDUSTRIES LTD (86.96%).

• In high share price, most stable volatile stock found in HINDUSTAN UNILEVER LTD (27.23%), HERO HONDACROP LTD (31.53%), MARUTI SUZUKI LTD (34.07%), ACC LTD (34.58%), and PANJAB NATIONAL BANK (34.72%).
• Year wise analysis shown that year 2008-09 with 62.17% and lowest high share price volatility found in 2010-11 with 43.93% and average volatility in high share price found 52.80% during the study period.
• Researcher has found in low share price volatility that there is significant different between in low share prices within the sample units during the study period.
• Low share price volatility in BSE-100, whereas most volatile share is found UNITECH(144.82), SEASA GOA LTD(100.48%), JINDAL STEEL&POWER LTD (101.93%), STARLINE INDUSTRIES LTD, (95.39%), SUZLON ENERGY LTD (83.46%).
• Among BSE-100 companies lowest stocks found in case of low share price volatility HINDUSTAN UNILEVER LTD (32.19%), COLGATE PALMOLIVE LTD (33.92%), HERO HONDACROP LTD (35.27%), and ASIAN PAINT LTD (36.2%).
• Year wise analysis found that in year 2008-09 low share price volatility found highest and it found decreased in last two years 2009-10 and 2010-11 with a volatility of 49.92% and 49.52% respectively.
• Whereas in volume, researcher has found that volume of BSE-100 Companies is not differ during the study period.
• It is found that there is no significant different between in Volume of share within the sample units during the study.
• Researcher has found that highest volume companies having the best volume of share on average basis are STARLINE INDUSTRIES LTD 5159220, ITC LTD 4368783, NHPC LTD 4756815, POWER GRIED 1014383 and RELIANCE COMMUNICATOIN, 2387056.
• Researcher has found lowest volume in following companies’ NESTLE LTD 32566, GRASIM INDUSTRIES LTD 41689, GODREJ CONSUMER PRO LTD 67817, SIYARAM TRAN.FINANCE COMP LTD 76653, COLGATE PALMOLIVE 90620.
• In case of No of Trade, researcher has found that there is significant different between No of trade within the sample units during the study period.
- No of trade of the company found highest in TATA STEEL LTD, (29870), STATE BANK OF INDIA (21960), SEASA GOA LTD (18340), RELIANCE COMMUNICATOIN (16293).
- No of trade of the BSE-100 companies found lowest in NESTLE LTD (533), ULTRATECH CEMENT (601), ASIAN PAINT LTD (668), and COLGATE PALMOLIVE LTD (897), GRASIM INDUSTRIES LTD (978).
- In case of Turnover researcher has found highest volume in STATE BANK OF INDIA (2126000000), RELIANCE CAPITAL LTD (1127000000), RELIANCE POWER LTD (962420942), TATA STEEL LTD (750162211), and RELIANCE COMMUNICATOIN (742349145).
- Whereas Turnover of BSE-100 companies found lowest in SIYARAM TRAN.FINANCECOMP LTD(21921644),UNITED BEWERIES LTD(27568755),ULTRATECHCEMENT(28316441),FEDARALBANK(2833 8666).
- Whereas in volume, researcher has found that volume of BSE-100 Companies is not differ during the study period.
- It is found that there is no significant different between in Volume of share within the sample units during the study.
- Researcher has found that highest volume companies having the best volume of share on average basis are STARLINE INDUSTRIES LTD 5159220, ITC LTD 4368783, NHPC LTD 4756815, POWER GRIED 1014383 and RELIANCE COMMUNICATOIN, 2387056.
- Researcher has found lowest volume in following companies’ NESTLE LTD 32566, GRASIM INDUSTRIES LTD 41689, GODREJ CONSUMER PRO LTD 67817, SIYARAM TRAN.FINANCE COMP LTD 76653, COLGATE PALMOLIVE 90620.4

(B).Findings on the basis of T-test of Correlation ship between MPS, EPS and PE of BSE-100 Companies.

- Researcher has found that correlation between Average Market Share price and Price earnings ratio is -0.08 and mean of Average Share price and Average Price Earnings Ratio found 630.16 and 36.54 respectively.
• Found strong relationship exists between MPS&PE of BSE-100 companies on the basis of T-test.
• Researcher has found that correlation between AMPS and EPS of the BSE-100 Companies during the study period 0.42 and mean of AMPS and AEPS of 630.16 and 38.49 respectively.
• Found strong relationship exists between AMPS & AEPS of the BSE-100 companies during the study period.
• Researcher has found that correlation between AVGPE and AVG EPS of BSE-100 Companies during the study period -0.19, and Mean of AVGPE and AVG EPS 36.54 and 38.49 respectively.
• Found strong relationship exists between AVGPE and AVGEPS of BSE-100 companies during the study period.

5.3 SUGGESTIONS:

The followings general suggestions were made on the basis of volatility of stock price of BSE-100 companies from this study, as genuine investor has to follow below mentioned suggestions for best investment return in stock market.

• Study the balance sheet of the company and analyze the scenario of the sales and profits of the company where they have invested their amount as investment.
• Analysis the market Price in terms of book value and profit earning capacity(or PE ratio) and use them to know whether the share is overvalued or undervalued.
• Study the development plans or Tax savings plans and analyze the company’s financial strength profitability, bonus and Dividend Paying strength, though the mechanism of financial ratios.
• Study whether the management is professional and good and whether their accounting practices are dependable and consistent. The company becomes attractive to buy if the financial ratios support the view that the fundamentals are strong and the shares are worth buying.
• If the stock price is undervalued on the basis of the projected earnings for the coming half year or one year and its PE ratio is below the industry average,
then it’s worth buying that stock, The same is worth selling if in his judgment it is overvalued. For assessing the undervaluation and over valuation, analyst and his analytical power count for this purpose.

- Investors point of view, it can be suggested that all investor should looks over fundamental of the companies with linkage of national growth, because volatility in stock price is genuinely affected by major fundaments of the companies, in case of strong stock return investors should analysis volatility of stock for long term period rather than short term period.

- Investors should properly analyses the day by day financial information of the concerned companies where they have made their investment, due to financial information especially profit and dividends stock price are much volatile in such circumstances, investors should properly analyze.

- It can be suggested that study in on BSE- 100 companies where some group is found like Banking,automobiles,finance,cement and pharma etc, whereas in automobile stocks Hero Honda is best stock for portfolio investment, in Banking sector stock HDFC is best stock for investment, whereas for intraday trading KOTAK MAHINDRA is best stock.

5.4 LIMITATIONS OF THE STUDY:

- This study will be based on secondary data taken from publisher reports of BSE day to day on website. So it depends entirely on the accuracy and reliability of such types of data.

- The researcher will study only BSE-100 companies, this will not show full volatility trend of Indian stock market.

- The researcher will study only on Equity shares price volatility.

- The researcher will modified some of the formula used in study, the arbitrariness, if any, in the modification of the formula will also influence the results of the study.

- Required data’s not availability also makes impact on study.
5.5 **CONCLUSIONS:**

It is concluded from study that stock price volatility in case of average share price are different in all BSE-100 companies during the study period, and on the basis of average stock price volatility it is also concluded that average share price is different in all companies during the study period, and High share price volatility also different in all companies during the study period. In case of low share price on the basis of low share price volatility are different in all companies during the study period. The volume of the share of all BSE-100 companies are not much different during the study period and no of trade taken place day by day on each stock of BSE-100 companies and daily Turnovers are different during the study period. Other side financial indicators like price earnings ratio , Earning Per share and Average Market Price of BSE-100 companies, these are the best financial indicators for company particular analysis and P/E multiplier is frequently used by Stock Analysts to study on the basis of historical valuation of Share price or forecasting of share price like overvalued or undervalued. Earnings per share where shows a earning of per share and on the basis of T- test it is concluded that Strong association between AMPS &AEPS during the study period. In case of APE&AMPS it is concluded that there exits strong association and in case APE &AEPS also strong associated with each other during the study period.
REFERENCES


