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VOLUME - 1

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Contents

S. No.	Chapters	Page No.
1.	Impact of Macroeconomic Factors on Indian stock Market <i>R. Magesh Kumar and Lino Joy</i>	01-06
2.	Volatility Spill over between Russia and European Stock Markets <i>R. Magesh Kumar and K. Koushik</i>	07-12
3.	Stock Price and Exchange Rate Nexus: A Case Study of Indian Stock Market <i>R. Magesh Kumar, D.N. Harshitha</i>	13-18
4.	Impact of Financial Crisis on Sectorial Indices: An Empirical Study on Indian Stock Market <i>R. Magesh Kumar and R. Lijo Joy</i>	19-26
5.	Performance of Selected Mutual Fund: Evidence from India <i>R. Magesh Kumar and SM. Monika</i>	27-31
6.	A Study on Risk and Return Analysis of Selected FMCG Company <i>Keerthi SN and Dr. Syed Mohammad Ghouse</i>	32-36
7.	Pricing Efficiency of the Equity Exchange Traded Fund in Indian Market <i>Manjunath V.M. and Dr. Syed Mohammad Ghouse</i>	37-42
8.	Evaluation of Debt Mutual Fund's Objective & Portfolio Element on Investor Decisions (With special reference to HDFC, Reliance and SBI in Anantapur, Kadapa and Kurnool of AP) <i>Dr. Y. Venkata Rangaiah</i>	43-52

9. The Influence of Debt Mutual Funds' Liquidity Characteristics on Investor Choices (With Special Reference to HDFC, Reliance and SBI in Anantapur, Kadapa and Kurnool of AP) 53-62
Dr. Y. Venkata Rangaiah
10. A Study on Diversity, Equity and Inclusion Policies at Godrej Group 63-68
Dr. Mohamad Imrozuddin and Harshita B
11. A Study on Equity Analysis on FMCG Sector 69-77
Nishad S and Dr. Syed Mohammad Ghouse
12. A Study on “Analysis of Risk and Return with Respect to FMCG Companies” 78-88
Dr. Y. Venkata Rangaiah

Chapter - 1

Impact of Macroeconomic Factors on Indian Stock Market

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Abstract

This study is on Impact of Macroeconomic factors on Indian stock market. The aim of the study is to analyze the relationship between selected macroeconomic factors and Indian stock market price. This study may also facilitate to the investors in buying and selling decisions of securities as in the study the effect of the selected macroeconomic variables on the stock market price returns is been analyzed. This study may also be make investors capable to take better decision by viewing the relationship between the dependent (Sensex) and independent variables (Macroeconomic factors). The methodology is used for the study is descriptive and Pearson correlation is used to find the relationship between the dependent and independent variables. Data over the period of 1991 to 2020 is used for the study. The result shows that there is a positive relationship between the Sensex and macroeconomic factors except avg. inflation and unemployment rate as they show negative relationship.

Keywords: Macroeconomic factors, stock market, unemployment, capital.

Introduction

The Indian stock market had seen various up-downs since 1991, after the government implemented the Liberalization, Privatization and Globalization Model in India. This model has connected every country with other countries and as a result a single market is created. And thus from the economic point of view the importance of stock market is growing as it helps in movement of capital in rising and developed nations, prompting the development of industry and business of the country. There is a significant role of Indian capital market in the Indian economy growth. A small movement in the stock market affects

the performance of economy. Investors regardless of whether Indians or outsiders can contribute or take the assets (funds) for capital appreciation in the capital market. An investor considers various factors before and at the time of investing his funds into the stock market. These various factors may include past performance of a company, return on index or by company, return on assets or equity, free cash flow, internal management, various macroeconomic factors like GDP, inflation, interest rate, unemployment rate etc.

It is believed that return on stock market is changed as change or fluctuations in the macroeconomic factors. Some macroeconomic factors are significantly affecting the return on stock where as some have mild affect. The market can be classified into two i.e. Primary market and secondary market. Primary and secondary market both are inter-related to each other as primary market creates secondary market. In the primary market various companies as well as government sell the securities first time in the market and when these securities further sold in the market that market called as secondary market. The SENSEX, propelled in 1986 is comprised of 30 of the most effectively exchanged stocks in the market. Truth be told, they represent a large portion of the BSE's market capitalization. They speak to 13 areas of the economy and are pioneers in their individual enterprises. The SENSEX is one of the benchmark in India. The SENSEX is considered an essential indicator of the Indian securities exchange because the BSE is the main exchange of the Indian resold market. The major role of an index is to catch the change in the price. Along these lines, a stock index will mirror the change in the price of stock, whereas index of bond catches the way in which bond costs go up or down. In the event that the SENSEX rises, it shows the market is doing admirably. Since stocks should reflect what organizations hope to earn later on, a rising index demonstrates that investor expect better profit from organizations. Furthermore, it is additionally a measure of the condition of the Indian economy.

Literature Review

Sangeeta Chakravarty (2005) directed a review that aim to know the nexus between macroeconomic elements and Indian stock exchange costs over the period of 1991-2005. The secondary month to month information was utilized for the review. She discovered Colombo Stock Exchange and macroeconomic variables. It is likewise uncovered that there is negative connection between macroeconomic elements like Inflation rate, exchange rate and securities stock exchange in Colombo Stock Exchange.

Wong *et al.* (2005) examined a study to know whether macroeconomic variables influence the stock costs of Singapore and US. They examine the long run equilibrium connections between the macroeconomics factors and

the two nations. The secondary information was utilized over the period of Jan 1982 to Dec 2002. They found through a co-joining test that United States Stock's costs don't show relationship with the money supply furthermore interest rate has a long run equilibrium relationship with the Singapore stock's costs of those factors.

Pimenta Junior and Hironobu Higuchi (2008) have taken monthly information over the time of 1994 to 2005 to conduct a review on the connection among Ibovespa and macroeconomic factors like inflation rate, interest rates and exchange rates utilizing Granger causality test, Impulse and unidirectional connection between positive effect of inflation; money supply furthermore lists of modern creation on Indian stock return by utilizing Granger Causality. While it was observed that there was no relationship of exchange rate, gold prices with the Indian stock exchange.

Attari and Safdar (2013) tracked down the connection between macroeconomic volatility and financial exchange volatility. They took information from December 1991 to august 2012 month to month astute. They utilized three factors; inflation rate, interest rate, and GDP and performed dramatic summed up Autoregressive Conditional Heteroscedasticity strategy. They reasoned that stock costs influence the financial aspects level of country.

Hajilee and Al Nasser (2014) analyzed the linkage between exchange rates and stock market improvement in twelve arising economies over the 1980-2010 period. Their outcomes showed that in just six economies, huge long-run connections are noticed. As indicated by the discoveries, exchange rate instability contrarily impacted securities exchange advancement in China, Mexico, Pakistan furthermore Venezuela, while positive effects were seen in the Philippines and South Africa.

Research Methodology

This study is based on secondary data. Secondary data is used to analyze the relation between the Sensex and selected macroeconomic factors over the period of 2005 to 2015. Data was collected from Reserve Bank of India, World Bank, Bombay Stock Exchange, National Stock Exchange. This study is conducted on the Stock market indicator's sensex using the macroeconomic factors. This study covers only six macroeconomic factors to measure the relationship. The study is prepared within a limited time. This study only considers five years data. As the macroeconomic variables are very dynamic in nature, studies must have been made on focusing monthly, quarterly, or half yearly as well as more than five years data. This study only considers selected macroeconomic variables. Further study can be made on other macroeconomic factors and their impact on stock market between India and

America. Similarly, large countries data also can be taken in to consideration for analyzing which countries stock market is more influenced by the macroeconomic variables.

The study has been taken up for the period 2005-2020 with the following hypotheses:

H1: Macroeconomic variables inflation rate, interest rate, GDP, and GDP PERCAPITAL put impact on SENSEX.

Findings

Multiple linear regression (MLR), likewise referred to as multiple regression, is a statistical procedure that utilizes a few exploratory factors to foresee the result of a reaction variable. The objective of multiple linear regression is to display the linear connection between the independent factors and dependent factors. Fundamentally, multiple regression is the expansion of ordinary least-squares (OLS) regression since it includes more than one explanatory variable.

For this dissertation the dependent variable is BSE SENSEX points, and the independent variables are the interest rate and inflation rate.

Therefore, in this dissertation:

Y= BSE SENSEX points

X= interest rate and inflation rate

The R squared value helps to understand the strength of the relationship between the linear model and the dependent variables in the terms of percentage. The probability of T statistics should be less than 0.05. The probability of F statistics indicates the impact of independent variable on a group of dependent variables. Multiple regression has been performed on stationary data by taking BSE SENSEX as the dependent variable. If value of coefficient is negative, then there will be a negative impact on BSE SENSEX, but if the value of coefficient is positive then then there will be a positive impact on the BSE SENSEX points.

Multiple Regression Test

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	66178.12837	13804.46361	4.793966	0.008686348
Interest Rate	-6696.348455	1789.1246	-3.74281	0.020072044
Inflation Rate	1593.646177	1847.917969	0.862401	0.437102842

Regression Statistics

Multiple R	0.886931983
R Square	0.786648342
Adjusted R Square	0.679972514
Standard Error	4644.836741
Observations	7

ANOVA

	df	SS	MS	F	Significance F
Regression	2	318189254.9	1.59E+08	7.374194806	0.04551893
Residual	4	86298033.42	21574508		
Total	6	404487288.3			

Multiple regression has been performed on stationary data by taking BSE SENSEX as the dependent variable. If value of coefficient is negative, then there will be a negative impact on BSE SENSEX, but if the value of coefficient is positive then there will be a positive impact on the BSE SENSEX points. The value of coefficient of interest rate is -6696.348455 and therefore has a negative impact on BSE SENSEX on the other hand the value of coefficient of inflation rate is 1593.646177 and therefore has a positive impact. If interest rate increases by 1 unit, then BSE SENSEX point decreases by -6696.348455 units. If inflation rate increases by 1 unit, then BSE SENSEX point increases by 1593.646177 units.

The R squared value helps to understand the strength of the relationship between the linear model and the dependent variables in the terms of percentage. The value of R squared is 0.786648342. Therefore 78.6648342% of the total relationship between linear model and BSE SENSEX is explained in this research project. The probability of T statistics should be less than 0.05. In this situation the p value of T statistics for interest rate is 0.020072044 and for inflation rate is 0.437102842. Therefore, we can say that interest rate has an impact on the BSE SENSEX but on the other hand inflation rate does not have an impact because the value is more than 0.05.

The probability of F statistics indicates the impact of independent variable on a group of dependent variables. In this situation the probability of F statistics is 0.04551893. 0.04551893 is less than 0.05 and therefore the model is fit and the independent variables can influence the dependent variable. 0.05. And therefore the model is fit and the independent variables can influence the dependent variable.

Conclusion

This research project helped to understand the relationship between the stock market (BSE SENSEX points) and the inflation and interest rate. In the research multiple linear regression was done to identify the relationship between stock market and the taken macroeconomic variables. From conducting the quantitative tests, we understood that there was a negative relationship between the interest rate and the BSE SENSEX points.

Suggestions for Future Research

The outcome from this study opens the way for wide exploration and further review connecting with this field might embrace by other scientists. Other macroeconomics factors sway on financial exchange can be considered for new exploration finding and improvement. Factors like BOP, GCF, and FIIs should be taken for further exploration with the goal that a superior picture on macroeconomics viewpoint towards execution of securities exchange could be uncovered. Looking forward, it would be significant in later investigations to integrate and endogenize extra subjective factors, for example, occasion studies and administration pointers in the viewpoint of execution of securities exchange between both the countries. It can be concluded that the project helped to understand the relationship between interest rate and inflation rate on the stock market.

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Chapter - 2

Volatility Spill over between Russia and European Stock Markets

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Abstract

The purpose of this study is that first we look at the Russian Stock market along with the emerging Eastern European Stock Markets of Poland, Hungary, Russia, Czech Republic and Slovakia stock markets. Finally, we examined the interdependence between the Emerging European and the Russian Stock Markets. The data has been estimated using the Microsoft Excel Tool using the Monthly returns before and during the Russia-Ukraine crisis. We find the evidence of direct linkages between the stock markets in terms of both the returns and volatility. The results show the clear evidence of integration of the Eastern European markets within the region and with the Russia as well.

Keywords: European Stock Markets, diversification opportunities, investors.

Introduction

Emerging Eastern European Stock markets have come to the interest of the international financial researchers and the policy-makers during the last decade. These markets have attracted the attention of the international investors due to their better diversification opportunities. They have become more attractive and accessible for the investment due to the increasing financial transparency. Moreover, European Union enlargement creates a unique landscape for the new financial investigations and analysis. This paper examines the stock markets in Poland, Hungary, Czech Republic, Slovakia representatives of Eastern European stock markets, and Russia, in a setting of regional influences. This paper examines mainly on how the Eastern European stock markets viz. Poland Stock Market, Hungary Stock Market, Czech Republic Stock Market and Slovakia Stock Markets along with the Russian

Stock Markets analyzing that how these European Stock market prices react with the Russian Stock Prices during the Russia-Ukraine crisis, the main objective of this research paper is to analyze how the Eastern European markets were functioning before the Russia-Ukraine war and during the Russia-Ukraine war/crisis.

The interdependence between the different stock markets has been extensively investigated. Most studies, however have focused their attention on volatility spillovers within the developed economies (Yang and Doong, 2004; Francis et.al. 2006; Dark et.al. 2005). These are some studies dealing with the emerging economies, but these studies are still inconclusive (Morales, 2008; Tai, 2007; Yang and Chang, 2008). In particular, the studies covering the emerging markets in Eastern Europe and the Russia are in scarce during the Russia-Ukraine crisis.

Survey of Existing Literature

A large body of empirical literature has considered the effect of volatility spillover between the Russia and the European stock markets as the most empirical research shows the link between stock and the Foreign exchange markets, as the relationship between these markets is often unstable. Mikosch and Starica (2004), Hillebrand (2005), Kramer and Azamo (2007) argued that the level of volatility persistence can be accounted by using the autoregressive model for long memory (IGARCH). I.e. Integrated Generalized Autoregressive Conditional Heteroscedasticity. Both, Chowdry *et al.* (1997) analyzed the stock futures markets of the USA, UK and Japan between 1988-1994 with the last prices. In the study, both heat wave and meteor shower effects were found between the US and UK markets. In the Japanese market, only the heat wave effect was observed. In another study involving the same exchanges, Pan and Hsueh (1998) examined the future market prices using GARCH (Generalized Autoregressive Conditional Heteroscedasticity) method. In the study which concluded with the price index, a one-way meteor effect was detected from Russia to Poland stock markets, while the study conducted with the return index, the effect of the two way meteor shower was determined.

Secme and Hepser (2018) examined the volatility spillover effect between USA, Turkey, Germany, Spain, Hungary and Poland using BEKK-GARCH model. Short- term relationship is determined between the TCMB interest rate and the VIX index, and the BIST100 index. Findings show that the Turkey, Germany, Spain and Poland markets are highly integrated with the United States. According to Demirgol and Gok (2014) examined the

volatility spillover between United Kingdom, Germany and Turkey from 2002 to 2013, using VAR-EGARCH model. BIST is influenced by other countries in terms of return and volatility. Demigril and Gok (2014) suggested that based on the lagged data of the markets, the markets can also be discussed within the framework of regional and global factors rather than making estimations, trading volume and depth. Salem (2009) analyzed the international transmission between Russia, United States, European Union, emerging Europe and Asia from 1995 to 2007 for 1998 Russian financial crisis volatility effect, using bivariate GARCH-BEKK model. During this crisis, volatility spillover from Russia to other countries is determined. After the crisis, no statistically signified relationship found between the Russian stock market and European Union Stock Markets which was proven by Bekiros (2014).

Research Methodology

Overall the study discusses about how the conflict between the Russia and Ukraine war has been effecting the European Stock Markets and how is the European stock markets reacting to the Russia-Ukraine crisis, how the inflation fears are affecting the European stock markets during the Russia and Ukraine crisis. This explains our keen interest to examine the impact of Russian stock markets and European stock markets during and before the Russia-Ukraine crisis and the status of the European stocks during the Russia-Ukraine crisis using the descriptive statistics model, and to investigate whether the returns on the stock affects symmetrically or asymmetrically.

The data was collected on the volatility spill over between Russia and the European stock markets stating that how were the markets before Russia-Ukraine crisis and during the Russia Ukraine crisis. The European stock prices which were taken to this study were Czech Republic, Hungary, Poland and Slovakia. The data was collected on the daily stock market prices starting from November 2nd 2021- January 31st 2022 which was before Russia Ukraine war and from February 24th 2022- March 31st 2022, during Russia-Ukraine war. The analysis of this data is to find out how the European markets/ stock markets reacts with Russia-Ukraine crisis.

Findings

A descriptive statistics is a summary of statistic that quantitatively describes or summarizes features from a collection of information, while descriptive statistics is the process of using and analyzing those statistics.

Table 1: Correlation analysis Before War

Correlation	RUSSIA	CZECH	HUNGARY	POLAND	SLOVAKIA
RUSSIA	1				
CZECH	0.618668	1			
HUNGARY		0.0013771	1		
POLAND			0.78792	1	
SLOVAKIA				0.1382693	1

Descriptive statistics is distinguished from the inferential statistics or inductive statistics, by its aim to summarize a sample, rather than a use of data to learn about the population that the sample of data is thought to represent. This generally means that the descriptive statistics, unlike inferential statistics, is not developed on the basis of probability theory, and are frequently non parametric statistics.

Table 2: Correlation Analysis during war

Correlation	CZECH	HUNGARY	POLAND	SLOVAKIA
CZECH	1	0.4856259		
HUNGARY		1	0.542599	
POLAND			1	-0.157507
SLOVAKIA				1

In this paper we look into how the volatility spillover between Russia and European stock markets were functioning before and during the Russia-Ukraine crisis and the markets were analyzed with the help of Descriptive statistical model using the excel spreadsheets. The sample period was from before the war that is on it was from November 1st 2021 to January 31st 2022 and during the war period that is from February 24th 2022 to March 31st 2022. The European countries which were taken to this study were Poland, Hungary, Czech Republic and the Slovakia stock markets.

We find the support for interaction of the stock markets through their returns and volatilities in Poland, Hungary, Russia and the Czech Republic. Elena FEDOROVA and Kashif SALEEM (2010). From this study, we can come to the conclusion that the prices of Russian stock market i.e. between Feb 24th 2022 to Mar 24th 2022, we could see that the stock market of Russia had operated on a very limited days as the war of Russia invasion with Ukraine had begun, during the war we came to know that the share prices of the Russian stock market i.e. between Feb 24th 2022 to Mar 31st 2022 we could see that the stock market of Russia had operated on a very limited days as the

war of the Russia invasion with Ukraine had begun, during the war as there was full of violence, alarm, panic and fear between Russia and Ukraine, the share market had been suspended and no share prices of Moscow stock exchange was available. We can see the good raise in prices of the Czech Republic market before war, during the war in the mid of March 2022, the share prices have come down which led to the low returns on the stocks.

Conclusion

From this research we can conclude that before the Russia-Ukraine crisis period, the European stock markets viz, Czech Republic Stock market, Hungary Stock market, Poland stock market and Slovakia Stock markets were at the better conditions i.e. Pre-Russia Ukraine crisis. During the war, the stock prices of the European stock markets has been reduced due to the Russia's invasion with Ukraine, the Russia-Ukraine crisis has affected the share prices globally including the prices of the European stock markets.

Suggestions for Future Research

Future studies could focus on other emerging economies and compare with the developed economies

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Chapter - 3

Stock Price and Exchange Rate Nexus: A Case Study of Indian Stock Market

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Abstract

Exchange rate and stock market have essential roles in economic development, implementation of monetary and fiscal policies, and the development of the financial system. Given their importance, these variables have always been the focus of empirical research. According to the literature, developments in one of the markets can rapidly spread to the other one. Such behavior is important especially from a policy perspective because it implies that volatilities in either stock or exchange rate market might have significant implications on the economy through several transmission channels. The absence of robust findings on the relationship between stock and foreign exchange markets can be deceiving, especially for the international investors and multinational corporations subject to exchange rate risk. The current study examined the effects of exchange rates on stock markets in eight selected emerging markets with the aim of robust empirical findings to benefit international corporations, investors and policymakers.

Keywords: Indian stock market, exchange Rate, investors and policymakers.

Introduction

The foreign exchange and stock market are related to each other. Therefore, it was an utmost important for those related to financial system either as researchers or as an investors to understand the functioning of the foreign exchange market and the stock market. The foreign exchange market and the stock market are well-thought-out as the indicator of the economic development because these markets are showing the exposure of country to the external world. Our study is also an endeavor in this path. The foremost

step before establishing any relationship between the Indian foreign exchange market and the stock market is to apprehend the views regarding which market is the cause and which is effect. There are two different views regarding this. One viewpoint known as the "Flow Oriented Model" given by Dornbusch and Fischer (1980) show that whatever deviations occur in currency affects the balance of trade (imports and exports), which try to affects the profitability and the stock prices. The another viewpoint known as the "Stock Oriented Model" given by Branson and Frankel (1983) shows that if any improvements take place in the stock market then more and more investors will start investing in it. The rising stock prices boost capital inflows and thereby increase the demand of domestic currency and ultimately the domestic currency appreciated. From time to time various research works were piloted by different researchers to confirm the association between exchange rate and stock prices which provide dissimilar results. Studies from Rahman (2009); and Zhao (2010) establish narrow relationship between exchange rate and stock prices; while Pan, Fok & Liu (2007); Jayasinghe & Tsui (2008); and Yau & Nieh (2009) establish noteworthy association and also show that exchange rate fluctuations influences stock prices. Remarkably, Lin (2012) establishes that during emergency, the strait of flow drives from stock prices to exchange rates. Such unsettled indication put forward that additional investigation is desirable to throw light on this subject particularly in the emergency period of COVID -19.

Survey of Existing Literature

Most empirical studies on the relationship between stock markets and exchange rates have followed the pioneering work of Frank and Young (1972), who suggested no significant link between the two markets. On the other hand, Dornbusch and Fischer (1980) suggested the flow-oriented theory explaining a causal relationship from exchange rates to stock markets. This theory argues that when the domestic currency depreciates (appreciates), the costs of export become lower (higher), the local firms become more (less) competitive and increase (decrease) their exports. This development results in an increase in the stock prices of domestic firms. In contrast, portfolio balance theory (Branson, 1983; Frankel, 1983) states that a well-functioning stock market stimulates the demand for the stocks and encourages foreign investment and capital inflows, making the domestic currency appreciates.

The Asian financial crisis of 1997 sparked discussions about the relationship between exchange rates and stock markets in developing countries (Bahmani-Oskooee and Saha, 2015) and triggered research efforts. Kasman *et al.* (2011) examined the effects of exchange rate fluctuations on

Turkey's stock prices between 1999 and 2009 using the OLS and GARCH estimation models. Their results suggest that the fluctuations in the exchange rate have negative impacts on the stock returns. Lin (2012) investigated the association between exchange rates and stock prices in India, Indonesia, Korea, the Philippines, Taiwan, and Thailand from 1986 to 2010. The ARDL model's findings showed that the association between the markets is generally driven by capital account balance rather than trade balance. Unlike the mentioned studies, Tsai (2012) did not use a conventional method and used the quantile regression model to examine the relationships between foreign exchange and stock markets in Singapore, Thailand, Malaysia, the Philippines, South Korea, and Taiwan from 1992 to 2009. His results indicated that the presence of extremely high or low exchange rates triggers a negative relationship between exchange rates and stock markets. Liang *et al.* (2013) employed panel Granger causality and panel DOLS methodologies to investigate the exchange rates and stock markets relationship in Indonesia, Malaysia, Philippines, Singapore, and Thailand between 2008 and 2011 and found supportive evidence for "portfolio balance theory".

Research Methodology

This study tried to assess the effect on stock-market returns at the National and Bombay Stock Exchange of selected macroeconomic variables (Disposable income, Govt. Policies, Interest Rate, Exchange Rate and Inflation). Therefore, the study used an empirical research design. Therefore, an empirical research design helped identify the causal relationship between selected macroeconomic variables and stock market returns from NSE and BSE. In this study, the secondary information was used. Secondary data was collected from the various websites. To have consistency in the analysis, available annual average data of NSE index was transformed into monthly data. Empirical analysis in this study covers a 10- years period (April 2006 - March 2016) using monthly time series data. Nifty and sensex price index values were used for stock prices (NSE and BSE) at the end of the month. CPI (consumer price index) has been used as a proxy for inflation.

The data was analyzed using E-views version 8.0. Descriptive statistics of the study variables was computed and presented in the form of the mean, maximum, minimum and standard deviation whereas several inferential statistical models were used to draw conclusions.

Findings

Regression analysis is done by taking indices as dependent variable and exchange rate as an independent variable. The regression analysis is done with

the help of least square method. The result of the regression analysis indicates that the DW statistic is 2.33. So there is a problem of autocorrelation. We remove the autocorrelation by adding the lagged variable of the dependent variable on the equation.

The result of the regression analysis is as follow

$$\Delta \text{NIFTY} = C + \beta \Delta \text{LEXN} + \beta_1 \Delta \text{NIFTY}(-1) + \varepsilon$$

$$= 0.000786 - 0.989903 * \Delta \text{LEXN} + (-154427) * \Delta \text{NIFTY}(-1) (0.831410) (-3.847466) (-2.879984)$$

R-Square= 0.051639 Adjusted R-square = 0.046204 F Statistic=9.501572

DW= 2.005228

The results of the regression analysis indicate that the coefficient of log exchange rate is negative and significant at 1% level of significance. The R-square value indicates that 5% of variation in log nifty is explained by log exchange rate. When we have taken log of SENSEX, the result of the regression analysis is as follow:

$$\Delta \text{SENSEX} = C + \beta \Delta \text{LEXN} + \beta_1 \Delta \text{SENSEX} + \varepsilon$$

$$= 0.000716 * - 0.983043 * (\Delta \text{LEXN}) - 0.152674 * \Delta \text{SENSEX}(-1)$$

$$(21.06371) (-14.50655) (-2.832862)$$

R-Square= 0.048589 Adjusted R-square = 0.043137 F Statistic=8.911861 DW= 2.009469

* indicate significance at 1% level of significance, t values are in parenthesis

The result of the regression analysis indicates that log of exchange rate is having negative and significant relationship with Sensex. The R square value indicate that 4.8% variation in stock indices is caused by exchange rate movement. The results support the findings of the Granger causality test that there is nexus between the exchange rate and the stock indices (Sensex and Nifty) during the period under study. But the interaction and relationship is not strong due to the reason as only 5% variation in stock indices is explained by exchange rate only. So there are many others factors which impact the stock exchange such as FII's investment, fiscal policy, interest rate and international market conditions and so on.

Conclusion

The relationship between exchange rates and stock prices has instigated a

widespread debate in the empirical literature since both variables have an essential role in many macroeconomic fundamentals and investment decisions. Motivated by the need to employ more advanced econometric techniques to examine the exchange rate and stock market nexus, this study contributes to the literature by applying the novel QQR regression. The results show that the stock market performances of the examined emerging economies are not affected by the exchange rate changes unless certain market conditions are established. More specifically, it is observed that variations of the slope estimates tend to deviate significantly at tail quantiles of both variables. The heterogeneity among countries in terms of the exchange rate-stock market nexus may be credited to differences in each economy's openness, the efficiency of the stock markets in each country, and the relevance of international trade in each country.

Suggestions for Future Research

Therefore, the results obtained in this study can be used by policymakers to avoid making monetary policy decisions when it is not necessary. Since our results pinpoint the slope coefficients at quantiles, policymakers can identify a suitable time to intervene in the exchange rate and ease the adverse effects of exchange rate fluctuations on listed firms. Investors and portfolio managers can also benefit from the documented empirical outcome since understanding the dynamics between the two financial markets can help to take measures on stock market behavior. As a result, investors and portfolio managers can actively manage and reconstruct their portfolios according to the market conditions to hedge against spillover effects from exchange rates to the stock markets.

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Chapter - 4

Impact of Financial Crisis on Sectorial Indices: An Empirical Study on Indian Stock Market

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Abstract

The Covid-19 pandemic, Sub-Prime Crisis and Russian–Ukraine war crisis are major incidents that happened to the world in almost 15 years. The stock market crashed to the new heights during these incidents. The study made here on nine global stock indices represents the intensity of fall and the correlation between the indices globally. The intensity was greater for the Covid-19 pandemic phase but the returns on an average tanked more in Sub-Prime Crisis and also comparative analysis of Russian-Ukraine war crisis. This study's findings show that these indices' volatile behavior has been strong enough to persist in the market with the leverage effect present during the sub-prime crisis. This effect disappeared in different sectorial indicators like nifty auto, nifty bank, and nifty IT etc. Indices as compared to these three crisis period. But two problems have been during now COVID-19 (probably because the pandemic is not over yet) and Russian–Ukraine war crisis. The study suggests that the investors may use the diversification approach, in the long run, to safeguard their portfolio values to survive from global shocks.

Keywords: Financial Crisis, Russian-Ukraine war crisis, globalization.

Introduction

Stock markets may be better called as the barometer of any country's economic linkages and movements. As per the Dow Theory (Brown et.al, 1998), there can be mainly three types of movements in a stock market: primary, secondary, and random wiggles. These movements may further define boom and recessionary trends for a market across the globe. The secondary markets worldwide have been found to be interlinked with each

other over the period with rising trade relations and globalization setting in place. Therefore, the economic happenings may tend to affect the state of a stock market in a country.

The Sub-Prime Crisis was a major incident in the U.S. economy from 2007 to 2010. The crisis led to severe consequences for the economy which came to be known as the Great Recession afterwards. During the period of mid-2006, the house prices in the U.S. declined to a great extent which led to a rise in interest rates of mortgage adjusted securities. The rise caused higher monthly payments leading to default situations for many borrowers at large. This finally made the Housing bubble burst as the institutions collapsed one after the other due to a shortage of funds to operate and pay their dues. The investors globally were affected because of this and a massive fall in investment was witnessed. The crisis had affected most in the U.S. and the European region. According to a report, the U.S. Stock Market fell more than 50% during 2006-2009. The country faced unemployment which came back to normal during 2014. The U.S. economy received bailout packages worth 626 billion \$ which got recovered by 2018. The European region was also inflicted with heavy losses.

The Covid-19 is a name given to the new coronavirus disease by the World Health Organization which was first detected in Wuhan city of China in December 2019. The disease is a pneumonia type contagious in nature. After the unstoppable force of the novel virus was witnessed it became a global emergency in no time. The disease has spread to every continent now as of mid-2020 apart from Antarctica. The disease is not only a health issue for the various countries but also a reason for social, political, and economic crisis which may lead to a long-term economic deficit. The only way of not getting affected by the virus at the initial stage was solidarity, hence, lockdowns in many countries were imposed. This led to unemployment and massive losses in business units. According to the International Labor Organization around 195 million jobs could have been lost worldwide and the number is still increasing. Thousands of lives have been lost worldwide and millions have been affected. This has resulted in it becoming a situation of the highest challenge after World War II according to the United Nations Development Program. A study, hence, becomes essential to know which out of the two given phases had more drastic effects on the indices worldwide as it would reflect the overall economy too, in a specific manner.

The war in Ukraine has introduced new uncertainty to a stock market that's already had a shaky start to the year. The S&P 500 saw its most drastic one day drop since May 2020, amid a war with no end in sight and mounting

sanctions on the part of the U.S. and its European allies. With hundreds of civilians dead, including children, and more than half a million refugees having fled Ukraine, the most important consequence is clearly the human cost, rather than anything having to do with people's investments. As the war continues, so does the unpredictability of the consequences beyond the borders of Ukraine. After the invasion last month, the S&P 500 index logged its first correlation in nearly two years, meaning it dropped more than 10% from its recent peak — and even though there was uncertainty about what was going to happen next, the U.S. stock market bounced back quickly. Several experts told time this week that while the human costs of this war are capturing attention across the globe, the financial implications are a bit more complicated. For, now at least, the experts say the strength of the response by NATO and European nations has stalled concerns that Russia's attack on Ukraine had potential to send global markets into a free fall, the experts say. When the market starts to tank, investors might be tempted to overreact and sell their investments, but experts advise against that. "Don't pull your money out. Don't stop investing. Any reaction you have to the situation is more likely to hurt you than help you," says Jeremy Schneider, personal finance expert at Personal Finance Club. The rebound of the stock market shows that volatility in investing is par for the course, and investors should not panic.

Survey of Existing Literature

A Shirvani (2020) studied the bivariate kinematic time series for the 11 years of daily price return and roughness for the S&P 500 index and found that the probability distributions exhibit a significant negative skewers relative to that of a normal distribution that might be attributed to the effect of long memory in the time series. The long memory effect of the stock market crash of 2008 is featured by that the number of degrees of freedom in the empirically observed distributions fell while the tail coefficient of the joint distribution increased after the crash, indicating the presence of a heavy-tail in distributions traditionally attributed to the effect of long memory in the time series.

D McMinn (2020) found the Decennial Cycle which suggested that a major market decline and the US recession were distinctly possible in the year 2020 (McMinn, 2020). A DJIA bear market commenced on February 12 and a severe world recession is now highly likely. D Zhang *et al.* (2020) provides a simple but original statistical analysis of the impact of the COVID-19 pandemic on stock market risk. The virus has already claimed thousands of lives and brought significant challenges to countries from all over the world. The financial markets have seen dramatic movement on an unprecedented

scale. The present results show that global financial market risks have increased substantially in response to the pandemic.

Barelson (1952) defined content analysis as a technique of research that is systematic representation of the matter of communication. According to Stone (1964), the content analysis is a methodology or procedure which can be used to access particular information based on the past references. The definition of content analysis requires that the inference be derived from the counts of frequency to place a number of standard methods on the borderline of acceptability (Leites & Poo, 1942).

The content analysis was also performed by Wisniewski and Yekini (2014) to predict the stock returns based on content of annual reports narrative. The computational linguistics tool was used by the researchers to study the qualitative aspect of the annual reports of the companies listed in United Kingdom. The paper concluded that the investors should pursue the annual report narrative because it may contain the information which has not yet discounted in the share prices.

According to the Dow Theory (Brown *et al.*, 1998), there can be mainly three types of movements in a stock market: primary, secondary and random wiggles. The markets may move in their tandem, and it may be challenging to explain trends (Kendall & Hill, 1953). The velocity with which a specific market can discount any information may decide the impact of such information and its spillover (Malkiel & Fama, 1970).

Research Methodology

The study is based on secondary data available from the data source yahoo finance. The data includes the daily adjusted close of the stock indices from different countries. The population could be stated as all the sectorial indices globally but for the research purpose a sample of 9 stock indices has been chosen. The following sectorial indices have been worked upon; nifty auto, nifty bank, nifty it, nifty FMCG, nifty private bank, nifty financial services, nifty media, nifty oil and gas and nifty health care index.

Findings

The Indian financial market and global markets experienced volatility due to pandemic. Estimations of volatility helps to measure the performance of the share price of the company. This paper studies about the impact of pandemic on the food processing companies listed in NSE. The objective of the paper is to examine the level of volatility prevailing in the selected food processing companies share returns. The daily returns of the companies are collected from January 1, 2019 to November 27, 2020.

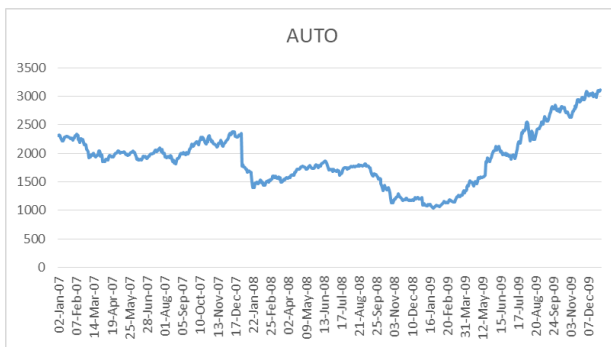


Fig 1: Data Analysis of Sub Prime Crisis

Interpretation

Taking the sectorial indices of nifty automobile view of Indian stock market we can see the rise in the share price from 02 January 2007 to 18nd December 2009, the prices of the stocks were between \$2,000 to \$3,500 and from start of January to the end of December 2008 we can see that the stock prices are growing down and following the same trend in the starting of the January month and in the end of December we can see the growing up in the share prices starting at \$1,500 and at the end of 3000 above which gives more returns to the investors.

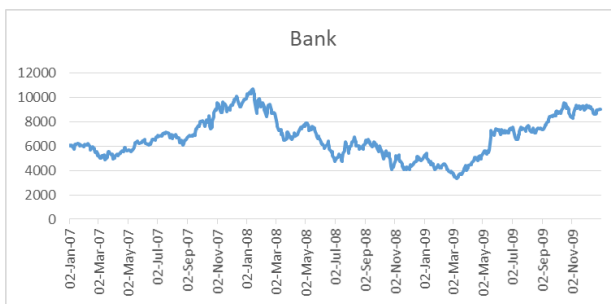


Fig 2

Interpretation

Look at the above figure of nifty banking sector in Indian stock market we can see stock market variation from 02 January 2007 to 02 November 2009, there is slightly upward trend, from 02 feb 2007 to 02 Jan 2008, we can see the downward trend, from 02 March 2008 –02 March 2009, again we can see the slight upward trend, from the following on May 02 - nov 02th 2009,, we can see that the line graph is closed with a highest nifty banking index price.

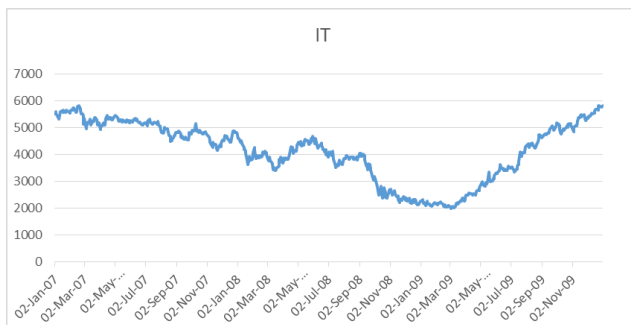


Fig 3

Interpretation

From the above chart there is down ward trend at start of Jan 2007- May 2008 and silkily moving nifty IT From 02 Jan 2009 to 2 Nov 2009.

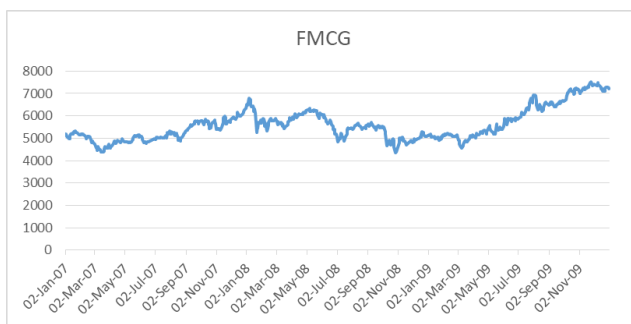


Fig 4

Interpretation

In this graph of nifty fmcg product variation in Indian stock market, both upward and downward trend from 02 Jan 2007 to 02 nov 2009.

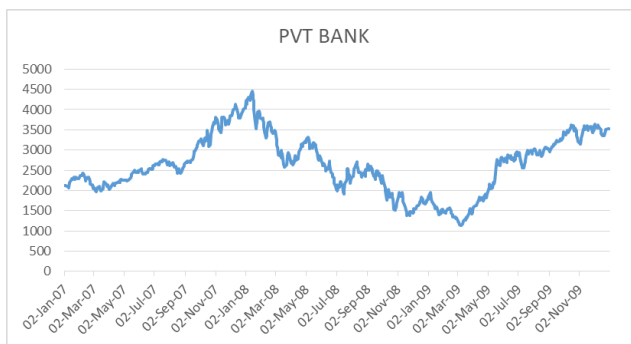


Fig 5

Interpretation

The performance of Indian stock market between from 2007 to at the end of 2007 was upward trend but after the period Jan 2008- to Dec 2009 is downward trend. And again up trending from May 2009 to end of 2009.

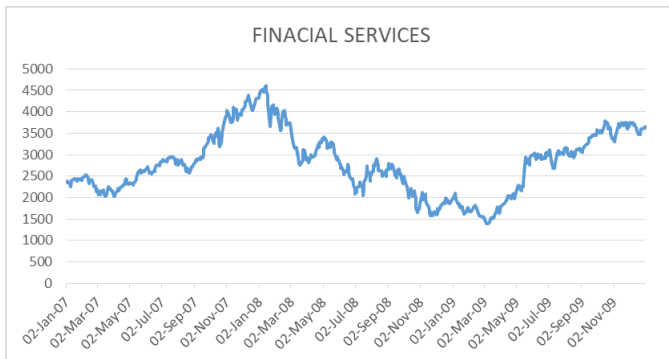


Fig 6

Interpretation

From the above figure we can see that moving up and down performance from 02 Jan 2007 to 02 November 2009 in nifty financial services in Indian stock market. So there was a good performance in subprime crisis.

Conclusion

In this study, we investigate the effect of COVID-19 on the performance of BSE and NSE; the two stock markets of India. GJH GARCH model is used to test the volatility in the stock market by taking the two time periods, before and after the first positive COVID-19 cases in India. These two periods are taken as the dependent variable and per day closing price of BSE and NSE indices are considered as the independent variable. The result shows that the stock market especially the BSE Sensex become volatile during the pandemic period. In case of another stock index, NSE Nifty, it is found that there is no such significant impact of the COVID-19 period on the volatility of NSE stock prices. The mean return in pre-COVID-19 and during the COVID-19 period is calculated separately. The result revealed that with negative mean returns, the stock market faces losses during the pandemic, whereas return is shown positive in the pre-COVID-19 phase. By comparing the SD, it is noticed that the deviation is large during the COVID-19 era than the pre-COVID-19 time. Similarly, the price of the stock indices also shows a significant change. In the pre-COVID-19 period, the price was high but during the COVID-19 period it shows a declining trend up to the first lockdown period, that is, to the end of

March but after this, it again takes an upward movement gradually. It is on account of the relaxation added to the lockdown policy by the Indian government. The unprecedented pandemic has already brought challenges to almost all countries. Not a single sector is left unaffected because of COVID-19. In brief, the results conclude that the Coronavirus outbreak has affected the stock price and increased the volatility in the Indian stock markets, and affect the financial system.

Suggestions for Future Research

The study incorporated six months only which can be extended for further studies and more generalizable results. The selection of bases has been made randomly which can be more precise if based on some relevant event or impulse. The study is based on only five indices while many other such indices can still be used to obtain further precision. The factors resulting in such results can be further studied to get an in-depth view of both the scenarios. The result here is obtained in specificity and thus, shouldn't be generalized for parameters different from the one used above.

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Chapter - 5

Performance of Selected Mutual Fund: Evidence from India

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Abstract

The present aims to examine the performance evaluation of mutual fund. Mutual fund is a mechanism that pools the investment from the investors with a common financial ambition. This paper investigates the performance of 8 equity schemes of selected companies for a period from April 2015 to April 2020. Monthly NAV of different schemes have been used to calculate the returns from the schemes, nifty has been used for market portfolio. The historical performance of the selected schemes has been evaluated by using the portfolio evaluations tools whose results will be useful for investors in taking better decisions.

Keywords: Mutual Fund, portfolio evaluations, businesses, banks.

Introduction

Financial institutions, financial markets, financial intermediaries, and financial services make up India's financial system. Fund-based and fee-based services are the two types of financial services. India has a diverse financial sector that is rapidly expanding, both in terms of existing financial services corporations expanding and new entities entering the market. Commercial banks, insurance businesses, non-banking financial companies, pension funds, and mutual funds are among the industries.

Financial markets and financial services are two sides of the same coin without which a country's economy would not function. Financial services have a significant role in boosting the country's economic prosperity. Until the 1990s, public sector institutions dominated all aspects of financial services, including banking, insurance, term lending, and home financing. In the Indian financial system, but after the government's economic liberalization initiatives.

Consequently, the financial services sectors are growing in rapid face in the economy to intermediate between savers and the seekers of money due to which lot of innovation services and competition has come in the field of the financial services also rapid stride in the sector.

It is also necessary to provide efficient service to the client, especially if the investor supplies a modest amount of money. In this regard, open-end funds play an important role in offering better service to small investors. The major goal of this study's analysis is to examine the performance of five-star mutual funds, taking into account risk, return, and assets under management, as well as net asset value, book value, and price earnings ratio.

Survey of Existing Literature

Bhagyasree and Kishori (2016) studied 29 open ended mutual funds to understand the performance of the selected five equity and large cap mutual funds in a study on performance evaluation of mutual fund schemes in India. The performance of open-ended growth-oriented equity schemes in the transition economy from April 2011 to March 2015 is examined in this article. The risk-return connection and the capital asset pricing model were used in the analysis. The study's findings revealed that some of the schemes had good returns while others had negative returns.

Thoufiqulla (2017) Evaluated on the study on the topic as a study of performance of the top 5 mutual fund in India, published in the ACME intellects international journal of research in management from page no. 1 to 10. The results of the selected mutual fund companies are with positive results. The researcher in the study made a comparison among the selected mutual fund companies. The researcher study was made from the performance analysis of the 20 open-ended schemes which helps investor to take their decision on the results. The following are the statistical measures used by the researchers Sharpe, Treynor's, Jensen measures, standard deviation and Beta.

Dhandayuthapam and Arun Pradeep (2018) in the article a study on performance evaluation of selected mutual fund schemes in HDFC published in the international journal for research in Applied Science and engineering technology from page no.1294 to 1300. He uses the tools like returns and standard where the funds depend on the economics conditions and it's the best attractive investments options where the small investors as compared to the other alternatives because it is managed by the portfolio managers. Laxmi Narayana Nadia, Balanji Reddy Mora (2018) from this study, we can conclude that some schemes may have higher returns and some with higher risk. It can be concluded that returns are not the only factor to examine at the time of

investment where an investor needs to analyses all the factors affecting the fund’s performance for better results.

Research Methodology

A research technique is a method for systematically tackling a research challenge. It is a discipline of science that analyses the methods used in scientific inquiry. It can be thought of as a branch of science that analyses how scientific research is conducted. Not only must the researcher be familiar with the study methodologies and procedures, but also with the approach. Analytical research was carried out. To analyses whether mutual funds under-perform or over perform the market index, the following statistical methods and techniques have been used Beta, Standard Deviation, Sharpe’s Index, Sharpe’ Index, Treynor’s Index, Jenson’s performance Index, Regression, Correlation.

Findings

Table 1: Axis Blue Chip- Regular Plan-Growth

Axis Blue-chip Fund - Regular Plan – Growth		
Particulars	NAV	Nifty 50
Total Return	54.495	12.61202
Average Return	0.9236	0.2137
Standard Deviation	4.0131	4.966
Count	60	
Beta	0.2356	
Covariance	5.811808	
Correlation	0.291581344	
Risk Free Rate	6.40% (0.064)	
Sharpe Measure	0.214	
Treynor Measure	3.6487	
Jenson Measure	0.9493	

Interpretation

The average return is calculated to analyze return on mutual fund. The average return of the scheme is 0.9236 which is more than the market return 0.2137. It indicates that the scheme will provide more returns in compare the market. The total risk of the scheme is measured with standard deviation which is less than the market risk of 0.9529 of standard deviation (i.e., 4.966-4.0131). It indicates that the schemehas 0.9529 less volatility of the market.

Systematic risk of the scheme is measured with beta of the scheme 0.2356. It indicates the fund is less volatility 0.7644 than the market.

Sharpe's ratio 0.214 it implies that it has generated 0.214 higher return of every unit of risk that was taken. When calculating it takes into considerations and are deviation (Total risk).

Treynor ratio 3.6487 it implies that it has generated 3.6487 of higher return of every unit of risk that was taken. When calculating it takes into consideration Beta (systematic risk). Jensen ratio is 0.9493 it represents that the mutual fund is earning excess return.

Table 2: Canara Robeco Blue Chip Equity Fund- Regular Plan - Growth

Canara Robeco Blue chip Equity Fund - Regular Plan – Growth		
Particulars	NAV	Nifty 50
Total Return	46.0849	12.61202
Average Return	0.781101	0.2137
Standard Deviation	4.13611	4.966
Count	60	
Beta	0.25398	
Covariance	6.2652	
Correlation	0.3049	
Risk Free Rate	6.40% (0.064)	
Sharpe Measure	0.1733	
Treynor Measure	2.8233	
Jenson Measure	0.6731	

Source: Secondary and Computed data

Interpretation

The average return is calculated to analyze return on mutual fund. The average return of the scheme is 0.7811 which is more than the market return 0.2137. It indicates that the scheme will provide more returns in compare the market.

The total risk of the scheme is measured with standard deviation which is less than the market risk of 0.83 of standard deviation (i.e., 4.966-4.136). It indicates that the scheme has 0.83 less volatility of the market. Systematic risk of the scheme is measured with beta of the scheme 0.2539. It indicates the fund is less volatility 0.7461 than the market. Sharpe's ratio 0.1733 it implies that it has generated 0.1733 higher return of every unit of risk that was taken. When calculating it takes into consideration standard deviation (Total risk). Treynor ratio 2.823 it implies that it has generated 2.823 higher return of every unit of risk that was taken. When calculating it takes into consideration Beta (systematic risk). Jensen ratio is 0.673 it represents that the mutual fund is earning excess return.

Conclusion

All selected funds are showing Beta value as less than

the 1st which means that the funds are less volatile than the market. The schemes selected for the study gave positive returns in coordination with the market return. From the Above 5 schemes, Axis mutual funds stands 1st rank in all the tools and also it provides a good Returns so that investor can invest in this scheme. All the mutual fund schemes were able to beat the market. The higher Sharpe and Jensen measure value shows the better performance. All the mutual fund schemes are positively correlated with the market return. Most of the mutual funds are weak in correlation with the market returns which means the fluctuations in the market returns may not affect the mutual funds returns on a large extent. Axis Mutual Fund and SBI mutual Fund are having identical ranking. Canara Robeco Mutual Fund, Kotak Mutual Fund, ICICI prudential Mutual Fund do not have identical ranking. All the mutual fund schemes have outperformed in relation with the market return.

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Chapter - 6

A Study on Risk and Return Analysis of Selected FMCG Company

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Abstract

In this paper, customers' buying behaviour is the only way to gain insight into a consumer's views of a product, your company managed to accomplish a sales rise of 11.4% and added Rs. 828.55 Crores to sales despite the fact that the revenue growth in the FMCG industry has slowed down. Britannia as opposed to any other brand. Conclusions Britannia maintains the mindset that its brands are its core business. The most important things to keep in mind are making sufficient investments in brands and putting the consumer, quality standards, and product differentiation front and centre. Enhancing the corporate brand requires a strong focus toward brand/line expansions as well as innovation. Additionally, providing for the ever-evolving requirements of the consumer base served to strengthen their allegiance to the brand. A distinct and unmistakable character enabled Britannia to branch out into new markets and record a successful chapter in its history.

Keywords: FMCG, brand, quality standards, revenue.

1. Introduction

The Risk-Return Analysis is becoming more and more necessary as the financial sector expands. It has also become necessary to manage portfolios in order to minimise risk and maximise profit due to extremely difficult stock market characteristics. The construction and regular monitoring of a portfolio should take into account the investor's risk and return needs. Of all the many risk variables taken into account in the study, the analysis of evaluating the link between risk and return in equity shares finds that it validates the operation of the risk return trade-off in the equities. During the research

period, there was also evidence of a positive link between the average rate of return and the securities market return correlation. Additionally, it reveals the connection between systematic risk and the rate of return on stocks. Therefore, judgments must be made before investing in shares. 90 percent of Britannia's yearly income comes from biscuit sales. 433,000 tonnes may be produced annually at the company's plants. Britannia's Biscuits is just one of the many brand names for Britannia's biscuits. The sales of dairy products at Britannia make up over 10% of total sales. The firm engages in both public marketing of dairy goods as well as business-to-business trading of dairy products. Dairy products now account for 47% of its portfolio, up from 30% in 2001–02. Nestle India, the National Dairy Development Board (NDDB), and Amul are its principal rivals. Britannia announced a joint venture with the Fonterra Co-operative Group of New Zealand on October 27, 2001. Fonterra is an integrated dairy corporation that manages every step of the value chain, from buying milk to producing goods with added value like cheese and buttermilk.

2. Literature Review

Bynaboina, S. (2018) equity research shows the industry is in the specific and FMCG industries. A close check on these principles helps with investment decisions and comprehension. Risk and return go together in investing. Everything an investor does relates to return and risk. The project compared the performance of chosen stocks and FMCG stocks with that of Nifty Banks and Nifty FMCG over the previous three years by computing Alpha Beta, Standard Deviation, and correlation. To hedge, an investor must limit their risk and increase their investment return. The FMCG industry is one of the fastest-growing in emerging and developed nations. Because of its extensive links to important economic sectors. Returns inspire investors to invest via returns. The importance of returns in any investment decision can be traced to three factors: it enables investors to compare alternative investments in terms of what they have to offer; it ensures historical returns, which allows investors to assess how well they have done; and it facilitates measuring historical returns.

Bagchi, B., & Khamrui, B. (2012) this article examines the link between working capital management and corporate profitability and identifies key variables. Working capital management is a key financial management choice that affects business liquidity and profitability. Optimal working capital management creates corporate value. In this study, we looked at 10 FMCG (Fast Moving Consumer Goods) firms in India from 2000-01 to 2009-10. ROI measures profitability (ROA). Explanatory factors include cash conversion cycle (CCC), interest coverage ratio, inventory age, creditor age, debtor age, and debt-equity ratio. The study uses Pearson's correlation and POLS

regression. The analysis confirms a negative link between working capital management factors and company profitability. As CCC grows, business profitability declines, and managers can create shareholder value by lowering CCC. Debt and profitability are inversely related. Profitability, working capital.

Swaroop, G. (2021) the industry's equity analysis shows it's in banking and FMCG. Keeping an eye on these values helps investors make informed decisions. Investments include risk and return. Investing is all about return and risk. The project compared the performance of selected bank stocks and FMCG stocks with that of the Nifty Banks and Nifty FMCG by computing Religare Broking Ltd. beta, standard deviation, and correlation. Any investor that hedges should minimise risk and increase gain.

Satyaprasad, B. G., & Anusha, P. H. (2019) the booming financial industry needs more risk-return analysis. Due to the stock market's complicated nature, portfolios must be managed to limit risk and maximise rewards. Portfolios should be developed and evaluated periodically based on investor risk-return criteria. The investigation of examining the link between risk and return in equity shares verifies the working of the risk-return trade-off in equities. The connection between market return and average return over the study period was favourable. It reveals the link between systematic risk and equity returns. Investors must decide before buying shares.

3. Methodology

In the current market environment, consumer behaviour has a significant impact on a company's ability to expand. This study's main goal is to determine how consumers behave toward dairy products. Recognizing the requirements and making the required adjustments need action. India is changing quickly and developing quickly. People are evolving, as are their preferences and demands. The market must fluctuate appropriately as well.

Objective of the Study

- a. To study the sales of various products of Britannia.
- b. To study the marketing strategies of Britannia.
- c. To study the various milestones of the company.
- d. To study the shares of various products in the company

4. Data Analysis and Results

Profitability Ratios

Every business concern aims at earning maximum profit. Profit refers to

the Absolute quantum of profits, whereas profitability refers to the ability to earn Profits. Profitability ratios are the ratios which are computed to evaluate the Performance and efficiency of the business concern. Profitability ratios are mainly used by owners that is, shareholders and the management. Equity shareholders are Very much interested in the capital appreciation of their investment and dividend per share. Management employs profitability ratio to assess the operational Performance of the business concern. Profitability ratios may be classified as under:

1) Gross profit ratio: This ratio is also known as “Gross margin ratio” or “Trading margin ratio”. It shows the relationship between the gross Profits to net sales and is generally expressed in percentage. In other Words, it expresses the gross margin as a percentage of sales. It serves as an indicator of general profitability of the business concern. A high Gross profit ratio implies better profitability of the products sold by the business concern. It is calculated as under:

Avg vol (3-month)	637.53k	Market cap (Intra-day)	895.27B
Avg vol (10-day)	526.44k	Enterprise value	920.64B
Shares outstanding	240.87M	Trailing P/E	47.9
Implied shares outstanding	N/A	Forward P/E	N/A
Float	118.53M	PEG Ratio (5 yrs. expected)	N/A
% held by insiders	50.55%	Price/sales (ttm)	6.97
% held by institutions	21.32%	Price/book (mrq)	33.56
Shares short	N/A	Enterprise value/revenue	7.17
Short ratio	N/A	Enterprise value/EBITDA	37.44
Short % of float	N/A		
Short % of shares outstanding	N/A		
Shares short (prior month)	N/A		

1) Which operator Conclusion

The success of a business depends on how customers see its products, and this can only be determined by looking at how customers behave while making purchases. Consumer behaviour is the study of the behaviours that are directly related to purchasing, using, and discarding goods and services, as well as the decision-making process that precedes and follows the activity. A number of factors affect customer buying behaviour. The consumer's behaviour is influenced by his or her social surroundings, family, society, neighbours, friends, employers, and coworkers. The consumer's personality traits have an impact on his purchasing choice as well. It necessitates a reconsideration of marketing tactics by marketers. Companies must now demonstrate their regard for customers' interests. To please the customers, they must take a number of actions. From customer happiness, marketers are now focusing on consumer welfare. Most businesses now embrace the fundamentals of consumption.

5. Conclusion

Instead of another brand, choose Britannia. Conclusions Britannia considers its brands to be its core business. The main elements are proper brand investment, customer focus, high quality standards, and distinctive goods. The corporate brand is strengthened through a strong focus on brand/line expansions and innovation. Additionally, meeting new consumer requirements increased brand loyalty. Britannia was able to expand into other categories and create a success story because to its distinct and obvious brand.

Even in the most isolated locations and the tiniest settlements with a population of only 1500, people may purchase biscuits.

Sales promotions include a small 50/50 pack with Good Day, a free gift pack during the holiday season, and a rural marketing fair. Has supported several cricketers on Bats.

The "Events-Britannia Khao World Cup Jao" marketing in 1999 strengthened the customers' love for the "Brand Britannia."

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Chapter - 7

Pricing Efficiency of the Equity Exchange Traded Fund in Indian Market

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Abstract

The Indian ETF market is still in its early stages of development. Despite the fact that the Nifty the primary ETF in India, was launched in December 2001, the financial community's response to ETFs has been muted. But nevertheless, market activity has increased recently. In this way, a few innovations are particularly crucial. The goal of this inquiry is to determine whether the equity trade store in the Indian market is effective at analysing stock prices by comparing the superior (positive or negative) differences between closing trading prices and closing NAVs. ETFs should be cost-productive, which means that the price of the ETF and its NAV, which is determined by the value of its underlying asset, are expected to rise in tandem as the trading day comes to a close. With the effort of the exchange component, the development of the NAV and the cost of the ETFs should move similarly and at a similar magnitude, and any variations should be taken into consideration. To understand how rapidly the variances between the cost and NAV are moving, we processed the various measurements and performed a sample t test. However, during our research, we discovered that, despite the existence of theoretically sound exchange instruments, ETFs exhibit major pricing flaws and variations in their cost and NAV deviations. Although the differences based on the standard premium are small, the degree of deviation depends greatly on the absolute premium. These deviations are statistically significant for all 26 ETFs, and the outcome also demonstrates a substantial difference between the daily premiums. Our research's regression findings indicate that for the largest ETFs, the premium persistence lasts roughly 2 to 3 days. In our case, just 3 ETF premiums last longer than 5 days, which shows

that the arbitrage forces in the Indian market are ineffective. Our analysis leads us to believe that there is mispricing in the Indian value trade swapped fund and that the deviations will not immediately dissipate due to the slow pace of the Indian market's arbitrage mechanism.

Keywords: net asset value, ETF, stock exchange, arbitrage.

Introduction

A market-traded speculative product called an Exchange Traded Fund (ETF) combines the characteristics of mutual index funds and stocks. Similar to common stocks, ETFs have intraday trading offices that enable investors to quickly take positions and profit from market price movements. ETFs enable investors to diversify their portfolios by allowing them to hold an entire index in a single ETF unit, much like traditional mutual index funds do. ETFs' reduced cost ratios in comparison to ordinary funds are what most attract investors. Additionally, it has been found that ETFs are more cost-effective than traditional investments. This is mainly due to the fact that redemption for ETF units can be done in kind rather than through offers from the ETF reserve house. So they can try to avoid accumulating capital gains. ETFs also wind up being a very suitable venture vehicle for investors who want to hold and sell a well-diversified array of resources. Institutional financial supporters are also notable customers in the ETF sector, such as common asset houses. More recently, speculative stock investors have also started to consider ETFs for their portfolios. Fence fund managers have started using ETFs mostly for the purposes of hedging various types of openings and ensuring gains (Sethi and Tripathi, 2019). ETFs may be designed to track a range of things, including domestic and foreign products, obligation-based securities, and instruments used in the currency market. Additionally, different ETFs may employ distinctly different tactics to achieve their goals. Exemplary ETFs often use true replication, which involves really holding the securities in their concealed portfolio to track their earnings, although more recent varieties may not.

Literature Review

Sethi & Tripathi, (2019), examined the pricing efficiency and trading characteristics of ETF in Indian market. They found that exchanging was decidedly influenced by the market variances while price and NAV deviations contrarily influenced on the exchanging volume for the majority of the subsidizes and finally they concluded that the existence of major inefficiencies in the arbitrage mechanism of the ETFs and existence of the premium was for four days.

Purohit and Malhotra (2015), contemplated the replication system,

following blunder and pricing efficiency of ETFs with respect to magnitude and persistence of premiums. Their analysis revealed that the regression results in the research indicate that selected Indian ETFs did not follow the full replication procedures and beta evaluations deviation from solidarity measurably inconsequential alpha because of imperfect tracking ability of ETFs there was a presence of tracking error with significant size and the outcomes likewise shows that The presence of following mistake can be attributed to chance , the board expenses , bid ask spread and premium or markdown because of mispricing of ETFs and the existence of price deviations exists for 3 days.

Tripathi & Garg, (2016) examined the pricing efficiency of ETFs across the countries in terms of deviations among NAV and cost of US, UK, Japan, Australia and India. They utilized 17 ETFs data for 12 years to investigate (2000 – 2012) reason for this examination to check the effect of the US sub-prime crisis on the other country ETFs and their study resulted that US ETFs were the more proficient while the Indian ETFs were most evaluating short comings and they inferred that US subprime crisis did not affect the other country ETFs.

Swathy, (2015) considered the evaluating effectiveness of chose 5 ETFs recorded on NSE for the period starting from 1/3/2010 to 28/2/2015 .She tracked down that four out of 5 ETFs intently track their NAV and the creator tests for one day delay the outcomes shows that beta coefficients were connected to one day delay the justification this is The exchange an open door in the market won't permit the price deviations over a period of time.

Methodology

To have a basic idea about the level of pricing efficiency of the Equity exchange traded funds, we analyze the deviations between ETFs trading price at the end of the day and NAV at the end of the day We have utilized two kinds of the charges for this examination they are in particular Standard premium and absolute premium.

Objectives of the study

To test that ETFs prices can deviate significantly and persistently from their NAVs.

To assess how many days does premium or discount takes to vanish.

$$\text{Standard premium in percentage} = \frac{\text{PRICE}_t - \text{NAV}_t \times 100}{\text{NAV}_t}$$

$$\text{Absolute premium in percentage} = \frac{|\text{PRICE} - \text{NAV}_t| \times 100}{\text{NAV}_t}$$

Target population

For this research we have used the Equity Exchange Traded Funds listed in BSE and NSE

Sample size

In this study sample of 26 Equity ETFs for 3years period used to analyze the results of regression and the descriptive statistics.

Data Analysis and Results

Table1:Summary Statistics of Standard and Absolute ETF Premiums										
Fund Symbol	Standard Premium					Absolute Premium				
	Mean	St.dev	Median	75%	90%	Mean	St.dev	Median	75%	90%
BSLNIFTY	-1.257285637 (-12.176***)	3.650863	-0.74271	0.306445	2.282148	2.769527395 (11.584***)	2.688993	1.925862	4.217979	6.772634
NIFTYEES	8.615647404 (20.901***)	8.186167	10.19964	15.34862	18.42362	10.09019117 (28.224***)	6.274328	10.41413	15.34862	18.42362
INIFTY	0.801516295 (0.784***)	13.4681	-0.07454	9.104352	18.34792	10.54845811 (28.891***)	8.403074	8.818009	15.20133	21.89041
KOTAKNIFTY	-0.163827815 (-4.699***)	3.325454	-0.05624	0.130161	0.280895	0.327100215 (-10.419***)	3.313364	0.180151	0.287186	0.411136
M50	-0.494412102 (-23.072***)	1.06602	-0.54897	0.100083	0.588948	0.904414887 (-25.158***)	0.74973	0.72778	1.281233	1.890587

The results of regression of monetary premium on its lagged values are given in the table 2. For 3 of the ETFs in the sample, all 5l as are resulted to be statistically significant. So almost all equity ETFs being analyzed in this research, the price deviations last 5 or more days for 3 ETFs in the sample. the price deviations for 5 ETFs in the sample disappear very quickly, the deviations disappear within a day for 9 ETFs, for 4 ETFs it took 2 days for arbitrage forces to eliminate deviations between price and NAV, for 4 ETFs it took 3days to disappear, for only one fund it took 4 days to disappear and for 3 ETFs it took 5 days to disappear. The results strongly suggest that the premiums are highly persistent and are not arbitrated away quickly, if the arbitrage forces worked effectively the deviations would have been disappeared very quickly. We find that the intercept value is significant for 16ETFs out of 26ETFs however the insignificant intercept are very close to

zero in most of the cases, more importantly the lags are positive and for some cases it resulted in negative, those negative values are not statistically significant. Theme an value of the lag coefficient is decreasing as we increase the lags, the mean lag values of lag coefficients are 0.37,0.16,0.069,0.13, and 0.15 for one day, two day, three day, four day and five day respectively.

This is expected since premiums on days which are closer to the current day should have a greater impact on the contemporaneous premium. The median R² is 0.22 which indicates the lagged premium are able to explain portion of the variation in the contemporaneous premium. The R² is greater than 20% for 13 ETFs and greater than 10% for 2 ETFs in the sample. As per our calculations the majority funds suffer from the inefficiencies in the pricing of the Equity ETFs in the Indian market, the arbitrage mechanism in the Indian stock market for the exchange traded funds is not reacting quickly for the price fluctuations.

Conclusion

The reason for this investigation is to check the evaluating effectiveness of the Equity trade store in Indian market by examining the superior (negative or positive), which is the contrast between the end of the day trading price and end of the day NAV Speculatively, ETFs ought to be cost productive implying that the cost toward the finish of exchanging day of ETF and NAV toward the finish of the exchanging day which is addressed by the worth of its underlying asset are accepted to move together. The development of the NAV and the cost of the ETFs should move a similar way and in a similar greatness with the exertion of exchange component the deviations if any should be taken care. We have processed the distinct measurements and one example to test to know how intently the deviations between the cost and NAV is moving. Anyway in our exploration we found that even though the presence of the theoretically solid exchange instrument ETFs shows significant pricing shortcomings and varieties in the cost and NAV deviations. Despite the fact that the deviations based on the standard premium is little yet the degree of deviation is enormous dependent on the absolute premium and these deviations are statistically significant for all 26ETFs and the result also shows significant variation among the daily premiums. The result of regression results in our research shows that the persistence of the premiums is about 2 to 3 days for greatest ETFs yet just 3 ETFs premium in our example endures more than 5 days it indicates that the arbitrage forces in the Indian market does not work effectively. With our examination we can presume that the mispricing in the Indian value trade exchanged fund exist and the deviations will not be disappear quickly, the arbitrage mechanism in the Indian market work slowly.

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Chapter - 8

Evaluation of Debt Mutual Fund's Objective & Portfolio Element on Investor Decisions (With special reference to HDFC, Reliance and SBI in Anantapur, Kadapa and Kurnool of AP)

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Abstract

Debt Mutual Fund Objective & Portfolio attribute as a decision parameter was tested with the selected investors/respondents; the ratings offered by them indicate the intensity of the same which are recorded against their Age, Sex, Education, job Income classification. Finding indicates that all the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study. In the mutual fund industry with increasing diversification and competition, the result of the study is expected to contribute to the process of structuring the funds managed by founder and to offer and insight to individual investors in their mutual fund selection.

Keywords: Mutual fund, Attributes, Diversification, Intensity, Fund Founder, Individual Investor.

1. Introduction

Objective of Mutual funds require to address investors interest such as Provide capital appreciation, which is pivotal to the success of all financial instruments aiming investment generation from investors. Mutual funds gain significance today by their sheer market size, continuously and annually growing volume of investment, ever increasing size of investors, and increasing Mutual Fund plans. Any research assumes significance when it is conducted on a concept whose coverage is wide, considering the increasing dimensions of Mutual Funds the present study is relevant and contemporary in its nature. The present study explores into the intensities of the

characteristic / attributes of the Mutual Funds on investment decisions of the MF investors. Objective is prime for all financial instruments, To provide capital appreciation is very important attribute of Equity oriented fund Or Growth oriented fund, the study attempts to test and validate the influence or the intensity of the same on the MF investors against their demographic background. The researcher presents the empirical data which is an outcome of the survey, for the purpose of enabling brief and effective presentation the CWA tables are presented in the chapter for evaluation; however the primary data tables are presented at the end of the chapter, with the same table numbers as that of the CWA tables Portfolio Composition Mutual funds gain significance today by their sheer market size, continuously and annually growing volume of investment, ever increasing size of investors, and increasing Mutual Fund plans. Any research assumes significance when it is conducted on a concept whose coverage is wide, considering the increasing dimensions of Mutual Funds the present study is relevant and contemporary in its nature. The present study explores into the intensities of the characteristic / attributes of the Mutual Funds on investment decisions of the MF investors. Portfolio management is concerned with constructing a portfolio of securities (e.g., stock, bond, Mutual Funds, etc.) that maximize the investor's utility. Taking into account the considerable amount of the available investment alternatives, the portfolio management problem is often addressed through a two stage procedure. At a first stage an evaluation of the alternative of the available securities is performed. This involves the selection of the most proper securities on the basis of the decision maker's investment policy. At a second stage, on the basis of the selected set of securities, the portfolio composition is performed.

2. Methodology

Objective: “Assessing the Objective & Portfolio Attribute Impact of Debt or Income oriented fund on investor decisions.”

Hypotheses

H₀ – Investor analysis of Debt or Income Fund's Objective & Portfolio attribute does not influence investment decisions.

H₁ — Investor analysis of Debt or Income fund's Objective & Portfolio Attribute has an impact on Investor.

Sample Universe Covers maximum Investors (Male and Female) of HDFC, RELIANCE and SBI Mutual funds houses in Anantapuram, Kurnool and Kadapa

Sample Size of 432 respondents is selected for the study to make the study meaningful and relevant.

Sample Distribution For the purpose of effective evaluation both Male and Female investors of HDFC, RELIANCE, and SBI Mutual Funds houses in Anantapuram, Kurnool and Kadapa districts are considered for offering proportionate representation

Table 1

Location Company	Anantapur	Kurnool	Kadapa	Total
HDFC	53	69	60	182
RELIANCE	45	59	51	156
SBI	27	36	31	94
TOTAL	125	164	143	432

Sampling Technique

Clustered sampling is used for offering proportionate representation to investors at three mutual fund houses are HDFC, RELIANCE and SBI. Purposive sampling technique is used to select the sample investors. A sample size of 432(HDFC-192, RELIANCE- 156, SBI-92) has been taken. Data is collected from the respondents of various cities in Andhra Pradesh like Kurnool, Anantapuram, Kadapa etc. Most of the mutual fund houses opened their offices in these cities and Cams online where applications are preliminarily processed and sends the information to the respective mutual fund headquarters through online is also having its offices in these cities. So we can easily meet the mutual fund investors at the offices of these AMCs. That is why I selected these cities for data collection.

Sample Characteristics

Male and Female investors from three selected Mutual Fund organization houses in Anantapuram, Kurnool and Kadapa.

Sample Unit

Male and female investor from selected HDFC, RELIANCE and SBI mutual fund houses, from the districts Anantapuram, Kurnool, and Kadapa Districts.

Data Sources

An empirical study of this nature should generate sufficient data through survey to base its findings on evaluation of data. The data collected for the present study comprises of both primary and secondary sources.

Statistical Tools Applied For Analysis

The data collected through questionnaire is in the form of offered by investors for a specific attribute. Cumulative weighted average and Chi-Square test were used for the purpose of testing the influence of one variable on the other the test has been administered to study the influence of the demographic variables, attributes of mutual fund.

3. Data Analysis

The following Table no 1 clearly depicts the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds.

Table 2: Impact of Provide Regular Income, Fixed Income Security on Investors- Age Wise

Age	Provide Regular Income			Fixed Income Security		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
25-35	4.45	4.59	4.33	4.83	4.59	4.10
36-45	4.61	4.58	4.64	4.59	4.55	4.61
46-55	4.50	4.52	4.58	4.27	4.60	4.68
> 56	4.00	4.10	4.17	4.45	4.10	4.33
CWA	4.50	4.53	4.52	4.53	4.54	4.50

Status Table no 3.1 clearly depicts the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Regular income, Fixed income security as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Age classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation High to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 3: Chi-Square Impact of Provide Regular Income, Fixed Income Security on Investors- Age Wise

Element	Chi Square Computed Value			Table Value	Significance Level	Degree Of Freedom
	HDFC	RELIANCE	SBI			
To Provide Regular Income	21.381	25.656	27.208	21.026	5	12
Fixed Income Security	30.256	29.329	36.440	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that to provide Regular income, Fixed income security have influence on investors.

Table 4: Impact of Provide Regular Income, Fixed Income Security on Investors- Gender Wise

Gender	Provide Regular Income			Fixed Income Security		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
Male	4.67	4.57	4.58	4.64	4.61	4.55
Female	4.23	4.24	4.19	4.19	4.20	4.19
CWA	4.59	4.52	4.51	4.57	4.54	4.49

Status Table no. 3.3 clearly portrays the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Provide Regular income, Fixed income security as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Gender classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation the high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5: Chi-Square Impact of Provide Regular Income, Fixed Income Security on Investors- Gender Wise

<i>Element</i>	<i>Chi Square computed Value</i>			<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
	<i>HDFC</i>	<i>RELIANCE</i>	<i>SBI</i>			
To provide regular income	29.078	16.844	26.236	9.488	5	4
Fixed income security	35.574	44.915	12.297	9.488	5	4

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 4 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that to provide Regular income, Fixed income security have influence on investors.

Table 6: Impact of Provide Regular Income, Fixed Income Security on Investors- Education Wise

<i>Education</i>	<i>Provide Regular Income</i>			<i>Fixed Income Security</i>		
	<i>HDFC</i>	<i>RELIANCE</i>	<i>SBI</i>	<i>HDFC</i>	<i>RELIANCE</i>	<i>SBI</i>
SSC	4.07	3.92	4.63	3.86	4.17	4.50
UG	4.50	4.52	4.07	4.53	4.48	3.93
PG	4.53	4.55	4.48	4.55	4.55	4.55
PROF	4.66	4.59	4.68	4.61	4.64	4.65
CWA	4.54	4.51	4.51	4.52	4.54	4.49

Status Table no.3.5 clearly describe the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Provide Regular income, Fixed income security as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Education classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation the high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 7: Chi-Square Impact of Provide Regular Income, Fixed Income Security on Investors- Education Wise

Element	Chi Square computed Value			Table Value	Significance Level	Degree of Freedom
	HDFC	RELIANCE	SBI			
To provide regular income	29.385	31.333	26.317	21.026	5	12
Fixed income security	23.453	25.634	26.152	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that to provide Regular income, Fixed income security have influence on investors.

Table 8: Impact of Provide Regular Income, Fixed Income Security on Investors- Profession Wise

Job	Provide Regular Income			Fixed Income Security		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
Self-Employment	4.69	4.59	4.27	4.53	4.59	4.27
Employees	4.55	4.52	4.57	4.60	4.58	4.53
Professionals	4.53	4.57	4.68	4.51	4.54	4.68
Retired	4.22	4.06	4.70	4.17	4.00	4.70
CWA	4.55	4.51	4.53	4.51	4.51	4.52

Status Table no. 3.7 clearly present the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Provide Regular income, Fixed income security as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Profession classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

The high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 9: Chi-Square Impact of Provide Regular Income, Fixed Income Security on Investors- Profession Wise

Element	Chi Square computed Value			Table Value	Significance Level	Degree of Freedom
	HDFC	RELIANCE	SBI			
To provide regular income	28.798	26.404	33.599	21.026	5	12
Fixed income security	21.522	33.730	31.071	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that to provide Regular income, Fixed income security have influence on investors.

Table 10: Impact of Provide Regular Income, Fixed Income Security on Investors- Income Wise

Income	To Provide Regular Income			Fixed Income Security		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
25-35K	4.69	4.32	3.95	4.53	4.16	4.89
36-45K	4.55	4.68	4.81	4.60	4.60	4.56
46-55K	4.53	4.58	4.56	4.51	4.62	4.52
> 56K	4.22	4.56	4.50	4.17	4.67	4.13
CWA	4.55	4.56	4.51	4.51	4.53	4.54

Status Table no.3.9 clearly illustrate the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

provide Regular income, Fixed income security as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Income classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation The high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 11: Chi-Square Impact of Provide Regular Income, Fixed Income Security on Investors- Income Wise

Element	Chi Square computed Value			Table Value	Significance Level	Degree of Freedom
	HDFC	RELIANCE	SBI			
To provide regular income	28.798	27.264	39.951	21.026	5	12
Fixed income security	21.522	24.916	29.039	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that to provide Regular income, Fixed income security have influence on investors.

4. Findings and Conclusion

The analysis revealed High to very high impact of Debt fund objective-provide regular income & portfolio composition- fixed income shares attribute of all firms is established in the research among all demographic factors. The research study concludes to insist the firms to emphasize the attribute Debt fund objective- provide regular income & portfolio composition- Fixed income security shares to manipulate investor decisions.

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Chapter - 9

The Influence of Debt Mutual Funds' Liquidity Characteristics on Investor Choices (With Special Reference to HDFC, Reliance and SBI in Anantapur, Kadapa and Kurnool of AP)

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Abstract

Balanced Mutual Fund Attribute's Liquidity as a decision parameter was tested with the selected investors/respondents; the ratings offered by them indicate the intensity of the same which are recorded against their Age, Sex, Education, job Income classification. Finding indicates that all the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study. In the mutual fund industry with increasing diversification and competition, the result of the study is expected to contribute to the process of structuring the funds managed by founder and to offer and insight to individual investors in their mutual fund selection.

Keywords: Mutual fund, Attributes, Diversification, Intensity, Fund Founder, Individual Investor.

1. Introduction

Liquidity Mutual funds gain significance today by their sheer market size, continuously and annually growing volume of investment, ever increasing size of investors, and increasing Mutual Fund plans. Any research assumes significance when it is conducted on a concept whose coverage is wide, considering the increasing dimensions of Mutual Funds the present study is relevant and contemporary in its nature. The present study search into the intensities of the characteristic / attributes of the Mutual Funds on investment decisions of the MF investors. "Liquidity" is primary for all Mutual fund instruments, "Liquidity" is very important attribute of Equity oriented fund Or Growth oriented fund, the study attempts to test and

validate the influence or the intensity of the same on the MF investors against their demographic background. Mutual funds provide easy liquidity to those who want to dispose of their units after a stipulated period of time. The open ended mutual funds offer instantaneous liquidity through repurchase facility. Close ended schemes also offer the facility of repurchase after a specified period in addition to listing on the stock exchanges.

2. Methodology

Objective: “Assessing the **Liquidity Attribute Impact** of Debt Fund or Income oriented fund on investor decisions.”

Need For the Study

The Basic factors necessitating the need for the study is changes in the financial markets and changing investor's comprehension level towards mutual funds. A number of newly invented Mutual funds are now available in the financial markets. The incomes of the investors and their saving habits are also under gone a lot of changes in recent times. The investor's conception levels are also increased hastily. Once they used to select mutual funds only considering basis on risk and return attribute of mutual fund only. But now it is not the case. The investors are giving more importance to considering attribute like Liquidity. So there is a great need for evaluating the attributes considered by investor in selecting mutual fund.

So the emphasis is on attribute evaluation of mutual funds.

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So the emphasis is on attribute evaluation of mutual funds.

Hypotheses

H₀ – Investor analysis of Debt oriented Fund's Liquidity attribute does not influence investment decisions.

H₁ — Investor analysis of Debt oriented fund's Liquidity Attribute has an impact on Investor.

Sample Universe Covers maximum Investors (Male and Female) of HDFC, RELIANCE and SBI Mutual funds houses in Anantapuram, Kurnool and Kadapa

Sample Size of 432 respondents is selected for the study to make the study meaningful and relevant.

Sample Distribution For the purpose of effective evaluation both Male and Female investors of HDFC, RELIANCE, and SBI Mutual Funds houses in Anantapuram, Kurnool and Kadapa districts are considered for offering proportionate representation.

Location company	Anantapur	Kurnool	Kadapa	Total
HDFC	53	69	60	182
RELIANCE	45	59	51	156
SBI	27	36	31	94
TOTAL	125	164	143	432

Sampling Technique

Clustered sampling is used for offering proportionate representation to investors at three mutual fund houses are HDFC, RELIANCE and SBI. Purposive sampling technique is used to select the sample investors. A sample size of 432(HDFC-192, RELIANCE- 156, SBI-92) has been taken. Data is collected from the respondents of various cities in Andhra Pradesh like Kurnool, Anantapuram, and Kadapa etc. Most of the mutual fund houses opened their offices in these cities and Cams online where applications are preliminarily processed and sends the information to the respective mutual fund headquarters through online is also having its offices in these cities. So we can easily meet the mutual fund investors at the offices of these AMCs. That is why I selected these cities for data collection.

Sample Characteristics

Male and Female investors from Three selected Mutual Fund organization houses in Anantapuram, Kurnool and Kadapa.

Sample Unit

Male and female investor from selected HDFC, RELIANCE and SBI mutual fund houses, from the districts Anantapuram, Kurnool, and Kadapa Districts.

Data Sources

An empirical study of this nature should generate sufficient data through survey to base its findings on evaluation of data. The data collected for the present study comprises of both primary and secondary sources.

Statistical Tools Applied For Analysis

The data collected through questionnaire is in the form of offered by investors for a specific attribute. Cumulative weighted average and Chi-Square test were used for the purpose of testing the influence of one variable on the other the test has been administered to study the influence of the demographic variables, attributes of mutual fund.

Table No 5.101: Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Age Wise

Age	Easy Liquidity			Not So Easy Liquidity		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
25-35	4.68	4.71	4.05	4.18	3.97	3.81
36-45	4.68	4.68	4.56	4.28	4.27	4.22
46-55	4.80	4.83	4.77	3.83	4.27	4.26
> 56	4.18	4.30	4.50	3.91	3.90	4.33
CWA	4.69	4.71	4.51	4.09	4.18	4.15

Status Table no 5.101 clearly depicts the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Easy liquidity, Not so easy liquidity as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Age classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

High to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5.102: Chi-Square Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Age Wise

Element	Chi Square computed Value			Table Value	Significance Level	Degree of Freedom
	HDFC	RELIANCE	SBI			
Easy liquidity	23.657	34.408	30.675	21.026	5	12
Not so easy liquidity	42.088	24.746	28.017	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that Easy liquidity, not so easy liquidity have influence on investors.

Table 5.103: Impact of Easy liquidity, not so easy liquidity on Investors- Gender Wise

Gender	Easy Liquidity			Not So Easy Liquidity		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
Male	4.81	4.78	4.80	4.28	4.24	4.29
Female	4.39	4.31	4.31	4.13	4.19	4.19
CWA	4.74	4.71	4.72	4.26	4.23	4.28

Status Table no 5.103 clearly portray the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Easy liquidity, Not so easy liquidity as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Gender classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

The high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5.104: Chi-Square Impact of Easy liquidity, not so easy liquidity on Investors- Gender Wise

Element	Chi Square Computed Value			Table Value	Significance Level
	HDFC	RELIANCE	SBI		
Easy Liquidity	37.162	35.763	30.396	9.488	5
Not So Easy Liquidity	30.109	17.044	11.382	9.488	5

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 4 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that Easy liquidity, not so easy liquidity have influence on investors.

Table 5.105: Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Education Wise

Education	Easy liquidity			Not so easy liquidity		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
SSC	4.14	4.08	4.63	4.07	4.00	4.13
UG	4.73	4.68	4.80	3.83	3.96	4.07
PG	4.73	4.79	4.03	4.44	4.04	3.87
PROF	4.82	4.73	4.68	4.26	4.27	4.35
CWA	4.72	4.69	4.48	4.24	4.12	4.13

Status Table no 5.105 clearly describe the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Easy liquidity, Not so easy liquidity as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Education classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

The high to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5.106: Chi-Square Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Education Wise

Element	Chi Square computed Value			Table Value	Significance Level	Degree of Freedom
	HDFC	RELIANCE	SBI			
Easy liquidity	49.270	33.723	39.142	21.026	5	12
Not so easy liquidity	34.644	23.352	24.764	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that Easy liquidity, not so easy liquidity have influence on investors.

Table 5.107: Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Profession Wise

Job	Easy liquidity			Not so easy liquidity		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
Self Employment	4.76	4.78	4.81	4.25	3.89	4.23
Employees	4.67	4.72	3.90	4.31	4.24	3.84
Professionals	4.78	4.76	4.61	3.93	4.24	4.29
Retired	4.28	4.19	4.60	3.89	4.25	4.00
CWA	4.69	4.69	4.44	4.14	4.14	4.09

Status Table no 5.107 clearly represent the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Easy liquidity, Not so easy liquidity as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Profession classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

High to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5.108: Chi-Square Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Profession Wise

Element	Chi Square Computed Value			Table Value	Significance Level	Degree Of Freedom
	HDFC	RELIANCE	SBI			
Easy Liquidity	36.853	27.490	37.892	21.026	5	12
Not So Easy Liquidity	25.146	25.862	21.056	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that Easy liquidity, not so easy liquidity have influence on investors.

Table 5.109: Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Income Wise

Income	Easy Liquidity			Not So Easy Liquidity		
	HDFC	RELIANCE	SBI	HDFC	RELIANCE	SBI
25-35K	4.75	4.55	4.50	3.89	4.26	4.22
36-45K	4.73	4.72	4.56	4.32	4.23	4.31
46-55K	4.68	4.78	4.52	4.26	4.20	4.22
> 56K	4.42	3.93	4.25	4.32	3.78	3.88
CWA	4.66	4.56	4.48	4.22	4.15	4.19

Status Table no 5.109 clearly illustrate the outcome of survey in terms of empirical data referring to the aspects or benefits expected or projected by the investors while investing in Mutual Funds. The data in the form of CWA values that are once again the yield of primary tables presented at the end of the chapter with same table numbers to enable easy identification.

Easy liquidity, Not so easy liquidity as a decision parameter was tested with the selected investors/respondents, the ratings offered by them indicate the intensity of the same which are recorded in the table against their Income classification. All the firms selected for the study register high to very high impact of attributes in their investment. Though, variation exists, it is micro marginal and is negligible, indicating the high impact of the attributes for all the firms selected for the study.

Evaluation

High to very high attribute influence for all the firms established by the study indicate the significance of the same to the investors, and also to the firms to consider the same seriously.

Table 5.110: Chi-Square Impact of Easy Liquidity, Not So Easy Liquidity on Investors- Income Wise

Element	Chi Square Computed Value			Table Value	Significance Level	Degree Of Freedom
	HDFC	RELIANCE	SBI			
Easy Liquidity	31.717	65.957	30.512	21.026	5	12
Not So Easy Liquidity	25.964	23.133	23.056	21.026	5	12

Chi-square test is applied for research data to further reinforce the meaningful interpretation; the same are presented against the demographic factor. From the above table χ^2 computed value is greater than χ^2 table value, at 12 d o f and 5% level of significance; Hence H_0 is rejected for the elements represented. Hence we can conclude that Easy liquidity, not so easy liquidity have influence on investors.

4. Findings and Conclusion

The analysis revealed High to very high impact of Debt or Income fund Liquidity attribute of all firms is established in the research among all demographic factors. The research study concludes to insist the firms to emphasize the attribute Debt or Income fund Liquidity to manipulate investor decisions.

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Chapter - 10

A Study on Diversity, Equity and Inclusion Policies at Godrej Group

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Abstract

Even from a business standpoint, the case for diversity in the workplace is overwhelming given its ability to foster innovation, creativity and empathy in ways that homogeneous environments can never do. As markets evolve to become more competitive than ever before and the business environment gets tougher amid the crisis, companies need to remain alert, aware, agile and responsive to remain afloat, profitable and successful. To be successful in a world that is constantly changing, companies need to be leading the change rather than responding to it. Companies with more diverse teams and inclusiveness are better able to lead change than those with a more homogeneous workforce. A strong organizational culture and robust structural foundation are critical for achieving agility that comes from internal strength. Diverse companies earn 2.5 times higher cash flow per employee and inclusive teams are productive by over 35%. High-diversity environments and all-inclusive culture have clear benefits and advantages. Thereby, this study attempts to examine the conceptual foundations of diversity, equity and inclusion at the workplace and make a conjectural study of the policies in Godrej Group. It further studies the implementation of the policies and what can be done further.

Keywords: Equity, business, constantly, markets, diversity.

Introduction

Inclusion of the diverse workforce in the workplace is the upcoming topics in the HR scenario and has become a major subjective issue for many companies. Diversity includes the individuals with intangible and noticeable

differences with respect to age, gender, race, and unknown differences like nationality, religion, political beliefs and education which creates an environment to work where differences are valued and employees gets the opportunity in developing talents, consistent to a company values and their business objectives. It is an emerging concept that has been dealt everywhere. Workforce in an organization are found to be constant battling with this issues which made some believe that inclusion of diversity is in the workplace is as simple as meeting the required quotas for employee race and gender, but the truth is far beyond that it promotes acceptance, respect and teamwork despite differences in race, age, gender, native language, political beliefs, religion, sexual orientation, or communication styles among employees.

Survey of Existing Literature

Ballard, D., Allen, B., Ashcraft, K., Ganesh, S., McLeod, P., & Zoller H (2020) in their journal *When Words Do Not Matter: Identifying Actions to Effect Diversity, Equity, and Inclusion in the Academy* state that organizational members view exclusion and inequity as an unintended and undesirable consequence.

Gill, G. K., McNally, M. J., & Berman, V in their article titled *Effective diversity, equity, and inclusion practices* state that the one key learning for the organization has been that creating inclusive societies takes time and requires work beyond merely “not-excluding.”

Zeynep, Arsel., David, Crockett., Maura, L Scott in their article titled *Diversity, Equity, and Inclusion (DEI)* state that more research is needed on human sexuality, and there is opportunity for more work on disability and diminished physical capacity.

Research Methodology

Secondary Data Sources

Google Scholar and Company Annual Reports were the primary method of data collection employed for this study. Research Gate and SHRM and various acclaimed journals were also utilized to collect data on Diversity, Equality and Inclusion. For data pertaining to Godrej Group and its policies in particular, data was collected via Company archives, Annual reports, Blogs, New articles, Press Releases and Company websites. A comprehensive search methodology was used for data collection. Data was searched on Google Scholar for articles published from January 2019 to January 21, 2021, to understand the significance of DEI pre and post

pandemic. Using robust and sensitive keyword variations that relied on Google Scholar's automatic term-mapping to apply the appropriate subheadings terms focused on diversity, equity, and inclusion and Godrej. Articles were screened independently to evaluate for any papers addressing DEI at Godrej

- Godrej strives to lead LGBT+ inclusion efforts in corporate India by continuously engaging with employees and other corporations.
- In 2017, they hosted the United Nations for the launch of their Standards of Conduct for LGBT+ inclusion in corporate business. This provided an opportunity to engage with trailblazers across corporate India and have meaningful conversations on how to make the workplace more inclusive.
- Godrej India Culture Lab, launched in 2011 acts as a catalyst to challenge existing notions of culture and encourages dialogue and experimentation. They launched the Godrej Manifesto for Trans Inclusion in the Indian Workplace. This was an innovative document that proved to be a 'one-stop shop' for everything employers would want to know about Trans inclusion, and how to embed Trans's inclusion into the workplace. It also aimed to enable transgender employment.
- Accel' has been curated by Godrej Group for its 32 high-performing women managers. In this year-long programme, managers are mentored by key women leaders from the group, including Nisaba Godrej, and other internal leaders as well, with the focal areas being learning strategy, emotional, social awareness and, more importantly, influencing. At the end of the tenure, when the group does an assessment and development on the basis of inputs from managers and other key stakeholders, the women identified as 'ready now' would be considered for the next level of roles.
- The Company's Code of Conduct covers aspects like diversity, anti-discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights.
- Godrej Industries Limited and Associate Companies also subscribes to the CII-ASSOCHAM Code of Conduct for Affirmative Action on the basis of Equal Employment.
- Godrej Group offers a holistic, supportive workplace for women through- Maternity benefits and support: 6 months of paid leave,

with flexible options on return, flexible working: part-time work, work from home and flexi time options to choose from, focused mentorship and training programmes and on-campus creches

- Godrej Group also advocates LGBT+ inclusion through
- Gender-neutral anti-harassment policy
- Same sex partner benefits at par with married spouses
- Gender neutral adoption benefits and support
- Gender transition support
- Gender neutral washrooms
- Community partnerships and advocacy

Conclusion

Indian laws offer women workers maternity benefits, equal pay as men for similar work and protection against sexual harassment. There are also laws for protecting against other forms of exploitation and discrimination at work. Leadership plays an important role in creating and supporting inclusion in the workplace. There is evidence that inclusive leadership and inclusive practices can be viewed as antecedents of inclusion. Authentic leadership has also been linked to inclusion. Attempts to create inclusive workplaces must consider individual differences, needs and perceptions as well as focus on creating structures, systems and processes that make people feel valued and treated equitably. Godrej Group believes and continues to believe strongly in the values of trust, integrity and importantly, equality in the workplace. Companies like Godrej can make real change possible. They have the resources and reach, through people, partners and communities. Becoming more inclusive is the company's secret sauce - making Godrej a representative of diverse, global consumers. They are building diversity in different ways - through businesses in new geographies, inclusive stances on gender and LGBT+ rights, and hiring for future-ready skills. Rather than narrowing the definition of inclusion, the organization is broadening it. Their message to the world is to want to hire all kinds of people and enable them to bring their 'whole selves' to Godrej.

Suggestions for Further Research

The past few years brought a lot of change to the workplace, but most importantly, it resurfaced the systemic challenges that underrepresented employees are facing in our society, and the effect these challenges can have if left unaddressed. Each one of us has a responsibility to look both inside and outside our business walls to make change by identifying our

weaknesses while fortifying our strengths—from both a team position, as well as in the product arena.

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Chapter - 11

A Study on Equity Analysis on FMCG Sector

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Abstract

The present study is based only on secondary data acquired from the annual reports of selected FMCG companies between 2015–16 to 2019–20. The primary purpose of this research is to evaluate the financial performance of selected FMCG firms in India. In this study, we use several profitability and liquidity ratios to attain our purpose. Both descriptive statistics and one-way ANOVA were used to analyse the data collected. Profitability ratios and liquidity ratios of Hindustan Unilever Limited, ITC Limited, Marico Limited, Dabur, and Britannia Industries Ltd. varied significantly. It indicates that each firm has unique liquidity, resulting in varying levels of profitability across the chosen enterprises. This study shows that ITC Limited has more cash on hand than the other consumer goods companies used in this study.

Keywords: FMCG companies, Equity Analysis, consumer, products.

Introduction

The manufacture, distribution, and marketing of consumer packaged products are the main concerns of the consumer goods sector, commonly referred to as the CPG (consumer packaged goods) industry. Consumables that are quickly moving through the market are known as fast moving consumer goods (FMCG). Sales, marketing, finance, buying, and other major operations of the consumer products business are only a few. The sector also engages in general management, manufacturing, supply chain, and operations. Personal and home care products account for 50% of consumer goods sales in India, making up the fourth-largest sector of the fast-moving consumer goods (FMCG) industry. The three key factors that have fueled the sector's expansion have been increasing awareness, improving access, and changing lifestyles.

The revenue created overall by the consumer goods industry in India is mostly comprised of the urban segment, which accounts for an income share of around 55%. The consumer products sector has, however, expanded more quickly recently in India's rural regions. In respect to urban India. The semi-urban and rural populations are expanding quickly, and mass consumer goods make up about 50% of all rural spending.

Because FMCG products are often sold in huge quantities despite having a relatively low net income, the overall benefit from such products may be substantial. Compared to five or 10 years ago, 84% of professionals working for fast-moving merchandise report experiencing the need to get new products to market more quickly. Given this, 47% of those surveyed acknowledged that accelerated cut-off periods are when item testing suffers the most. The FMCG sector in India has risen to become the country's fourth-largest economic sector. In 2017, the retail market for FMCG products was \$840 billion, and it is expected to grow to \$1.1 trillion by 2020. The FMCG sector is unique in that there is a strong commitment from provincial interests; the metropolitan component provides 55% and the country portion the remaining 45%. The family and individual consideration segment, which makes up half of the whole area, dominates the FMCG segment by a wide margin.

Literature Review

Nagarajan, S., & Prabhakaran, K. (2013) the share price of Nestle India Ltd. has a fifty-three percent link with the Nifty Index, according to the research that looked at the impact of several FMCG firms' share price movements on the Nifty Index. When compared to other firms included in the research, it was much lower. According to the interpretation of the analysis of standard deviation, coefficient of variation, and beta, the share prices of Dabur India Ltd. and ITC were significantly more stable and low-risk than those of the other firms included in the research. During the time period of the study, the shares of some FMCG companies had a moderate amount of risk and gave investors small gains or losses.

Mohan, B. C., & Sequeira, A. H. (2016) for enterprises in the Indian fast-moving consumer goods (FMCG) market. This article examines the influence of brand equity on the operational performance of Indian FMCG companies. The research employs descriptive and exploratory methodologies. The findings reveal a link between brand equity and company operational success. For enhanced operational success, brand equity must be efficiently managed, according to the research's practical implications.

Kumar, H. (2018) the industry's equity analysis shows it's in banking and FMCG. Keeping an eye on these qualities helps investors make informed

decisions. Investments include risk and return. Investing is all about return and risk. The project compared the performance of selected bank stocks and FMCG stocks with that of the Nifty Banks and Nifty FMCG by computing Alpha Beta, standard deviation, and correlation. Any investor that hedges should reduce risk and increase gains. Banking and FMCG are fast-growing industries in emerging and established nations. Due to its links to vital economic sectors, Returns motivate investors to invest. The relevance of returns in any investment choice can be related to the following: it enables investors to evaluate various investments in terms of what they have to offer; it ensures historical returns, which allows investors to analyse how well they have done; and it measures historical returns.

Patil, S. A., & Jadhav, V. V. (2019) in FMCG is among India's fastest-growing industries. India's fourth-largest industry. Changing lifestyles, more awareness, and simpler access fuel FMCG growth. The union budget's emphasis on agriculture, health care, infrastructure, and jobs is projected to affect FMCG. FMCG firms provide products and services to meet society's requirements. In recent years, rural FMCG has grown more than urban FMCG. FMCG is expected to rise by 13–14% over the next 5–10 years and reach \$220–240 billion by 2025. The performance of Marico Ltd, Godrej Industries Ltd, Dabur India Ltd, Emami Ltd, and Nestle India Ltd has been analysed to determine their performance. To analyse the firms' growth, numerous metrics were employed. Total/Debt to Equity, Return on Equity, and dividend yield ratios are used to assess company performance and determine their financial status. This article shows investors how to choose firms and stocks that will increase their money over time.

Prabu, M. V. (2021) COVID-19 has broken the global economy, including India's. Despite India's dismal GDP trend, several industries like pharmaceutical and FMCG have exhibited good indicators due to the epidemic and shutdown. No matter the economy, consumer essentials are vital. In harsher times, when an unforeseen situation happens, humans will always want to protect themselves, causing a huge demand in the FMCG industry. In this research, we'll use statistical approaches to analyse the influence of lockdown on FMCG movement.

Methodology

Applied research is conducted to answer particular and practical problems. Its primary purpose is not knowledge acquisition in and of itself. Typically, it is descriptive in nature. It is virtually usually based on fundamental research. There are two sorts of research methodologies used for stock research:

- Fundamental Analysis
- Technical Evaluation

Balance sheet analysis is the most important part of fundamental analysis, also called quantitative analysis. This involves looking at how stocks have done in the past to predict how they will do in the future. Technical analysis, on the other hand, doesn't care about the value of the company and only looks at how the price of its market share changes.

The top ten consumer goods companies are available in India. These are HUL, ITC, Nestle India Ltd, Dabur India Ltd, Britannia Industries, GCMF (AMUL), Asian Paints (India), Cadbury India, Procter & Gamble Hygiene and Health Care, Marico Industries. To evaluate the equity analysis of consumer goods companies, he selected five leading consumer goods companies in India. They have Hindustan Unilever Limited, ITC Limited, Marico Limited, Dabur, and Britannia Industries on a total market capital basis. For data analysis, ratios such as profitability ratio, liquidity ratio and ANOVA test were used. Ratio analysis is a quantitative method of obtaining information on the liquidity, operating efficiency and profitability of a company by comparing the information contained in its financial statements. Report analysis is a cornerstone of fundamental analysis. The present study took two main reports for performance evaluation. The first is profitability and the second is the liquidity ratio.

FMCG firms are very important for the economic and social development of the nation. The purpose of this study is to evaluate the financial performance of the five leading FMCG companies over a period of five years (2014–15 to 2018–19). The specific objectives of the research are:

- To study the productivity and liquidity pattern of the chose FMCG organizations.
- To make similar examination of the chose units' dependent on the different proportions.
- To discover which stock is adequately worth to put resources into and what will be the methodology of venture

1. Net Profit Ratio

Year	Hindustan Unilever limited	ITC limited	Marico limited	Dabur	Britannia Industry
2019-20	15.6	27.62	13.89	19.17	10.18
2018-19	14.07	25.44	17.37	18.86	10.02
2017-18	13.31	26.72	14.18	16.33	9.42
2016-17	14	26.31	11.64	14.04	8.67
2015-16	13.8	26.43	15.67	13.8	5.86

ANOVA Test of Net Profit Ratio

Source of variance	S.S	D.F	M.S	F-ratio	5% Limit (from F table)
Between groups	838.7	4	209.675	68.7	
Within groups	61.042	20	3.052		2.87
Total	899.742	24			

From Above ANOVA table it very well may be break down that the table worth of F is 2.87 and the determined incentive for this proportion is 68.70. So determined worth is higher than table worth for example invalid theory is dismissed. With the goal that elective speculation is acknowledged, it implies there is huge contrast in net benefit proportion of chosen FMCG units during the examination time frame.

2. Return on Assets Ratio

Year	Hindustan Unilever limited	ITC limited	Marico limited	Dabur	Britannia Industry
2019-20	32.83	19.25	18.45	19.43	22.77
2018-19	31.05	19.66	23.22	20.64	24.94
2017-18	29.76	21.01	20.87	23.07	27.09
2016-17	32.4	27.27	17.1	22.39	28.9
2015-16	31.55	36.18	18.29	22.7	20.96

ANOVA Test of Return on Assets Ratio

Source of variance	S.S	D.F	M.S	F-ratio	5% Limit (from F table)
Between groups	408.79	4	102.2	7.11	2.87
Within groups	287.4	20	14.37		
Total	696.19	24			

From above ANOVA table it very well may be examine that the table worth of F is 2.87 and the determined incentive for this proportion is 7.11. So determined worth is higher than table worth ie. Invalid speculation is dismissed. With the goal that elective theory is acknowledged, it implies there is huge contrast consequently on resources proportion of chosen FMCG units during the examination time frame.

3. Return on Net Worth Ratio

Year	Hindustan Unilever limited	ITC limited	Marico limited	Dabur	Britannia Industry
2019-20	74.02	21.83	23.61	25.36	29.29
2018-19	69.18	22.49	28.81	27.29	32.67
2017-18	112.19	29.89	27.01	32.71	44.05
2016-17	115.85	31.25	23.26	32.64	50.37
2015-16	118.01	33.51	29.25	35.33	43.33

ANOVA Test of Return on Net worth Ratio

Source of Variance	S.S	D.F	M.S	F-ratio	5% Limit (from F table)
Between groups	18327.5	4	4581.89	32.22	2.87
Within groups	2843.37	20	142.17		
Total	21170.9	24			

From Above ANOVA table it tends to be investigate that the table worth of F is 2.87 and the determined incentive for this proportion is 32.22. So determined worth is higher than table worth for example invalid theory is dismissed So that elective speculation is acknowledged, it implies there is huge distinction consequently on total assets proportion of chosen FMCG units during the examination time frame.

2) Current Ratio

Year	Hindustan Unilever limited	ITC limited	Marico limited	Dabur	Britannia Industry
2019-20	1.28	2.76	2.45	1.58	2.02
2018-19	1.3	3.59	2.45	1.47	1.84
2017-18	1.02	1.65	1.9	1.32	1.05
2016-17	1.05	2.05	2.02	1.26	1.18
2015-16	1.02	1.81	1.42	1.73	0.89

ANOVA Test of Current Ratio

Source of Variance	S.S	D.F	M.S	F-ratio	5% Limit (from F table)
Between groups	5.1811	4	1.2953	5.6907	2.87
Within groups	4.5523	20	0.2276		
Total	9.7334	24			

From Above ANOVA table it very well may be break down that the table worth of F is 2.87 and the determined incentive for this proportion is 5.6907. So determined worth is higher than table worth i.e. invalid speculation is dismissed. With the goal that elective theory is acknowledged, it implies there is huge contrast in current proportion of chosen FMCG units during the investigation time frame.

3) Inventory Turnover Ratio

Year	Hindustan Unilever limited	ITC limited	Marico limited	Dabur	Britannia Industry
2019-20	14.63	5.61	3.93	7.93	15.64
2018-19	13.5	5.09	4.47	8.82	13.96

2017-18	12.28	4.32	6.44	9.34	20.69
2016-17	11.83	4.65	5.91	9.86	20.75
2015-16	10.56	4.51	5.54	8.72	17.19

ANOVA Test of Turnover Ratio

Source of Variance	S.S	D.F	M.S	F-ratio	5% Limit (from F table)
Between groups	575.9	4	144	53.38	2.87
Within groups	53.94	20	2.697		
Total	629.9	24			

From Above ANOVA table it very well may be examine that the table worth of F is 2.87 and the determined incentive for this proportion is 53.38. So determined worth is higher than table worth for example invalid speculation is dismissed. So elective speculation is acknowledged, it implies there is critical distinction in stock turnover proportion of chosen FMCG units during the examination time frame.

Conclusion

Ratio analysis is the most essential measuring tool used to assess the movement of the stock market as well as the profitability and liquidity position of the different firms in the stock market, which assists the investor in determining whether to purchase or sell shares. During the research period, there is a substantial variation in the profitability and liquidity of the performance of the chosen consumer goods units. It indicates that each firm has unique liquidity, resulting in varying levels of profitability across the chosen enterprises. This study shows that ITC Limited is more liquid than the other businesses in this study that sell consumer goods.

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Chapter - 12

A Study on “Analysis of Risk and Return with Respect to FMCG Companies”

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Abstract

The concept of risk and return analysis is integral part of the finance and investment. All investment and financing decisions involve some risk and return. Risk is uncertain in the nature. Return is simply reward for investment. For every rupee made by a trader, there must be a trader losing that rupee. As an extension of this, if there is a group of traders consistently making money, then there must be another group of traders consistently losing money. Usually, this group making money consistently is small, as opposed to the group of traders who lose money consistently. The difference between these two groups is their understanding Risk and their techniques of money management. Mark Douglas in his book the Disciplined Trader, says successful trading is 80% money management and 20% strategy. Money management and associated topics largely involve assessment of risk. So, in this sense, understanding risk and its many forms become essential at this point. For this reason, let us break risk to its elementary form to get a better understanding of risk. The usual layman definition of risk in the context of the stock market is probability of losing money. When you transact in the markets, you are exposed to risk, which means you can(possibly) lose money. For example, when you buy the stock of a company, whether you are like it or not, you are exposed to risk. Further, at a very high level, risk can be broken down into two types Systematic Risk and Unsystematic Risk. You are automatically exposed to both these categories of risk.

Keywords: Risk, Return, Money and Market

1. Introduction:

Return on Investment is the earnings are as in a percent of the investment funding. Profits consist of profits and capital gains. Risk is the possibility that your investment will lose money. With the exception of U.S.

Treasury bonds, which are considered chance-loose assets, all investments bring a few degree of threat. Successful making an investment is set locating the right stability between danger and return. The higher the threat for an investment, the higher the potential returns. Any time you want to make a better percent charge or capital gain than the general public make, you need to recall taking over extra threat.

That's why bonds of corporations with terrible credit score rankings pay better interest. The employer may want to fail and the bonds should grow to be worthless. A quality, regular funding in a blue chip inventory traditionally yields lower returns than the shares of a hit begin- up businesses. If making a decision to spend money on a joint undertaking, you could examine the threat involved. If that chance seems high, you can ask for assure of higher returns by getting a higher per cent of income to compensate you for taking the threat.

Historical return on investment is the annual go back of an asset over numerous years. Research analysts and professional traders use historical returns, in conjunction with industry and financial facts, to estimate future costs of go back. You can us actual effects and estimated returns to evaluate various assets, such as stocks and bonds, in addition to distinctive securities within every asset category. This assessment method allows you select the right blend of securities to maximize returns all through your investment time horizon.

Risk is the likelihood that actual returns will be much less than historical and predicted returns. Risk elements encompass marketplace volatility, inflation and deteriorating business basics. Financial market downturns have an effect on asset costs, even though the basics remain sound. Inflation results in a loss of buying power for your investments and better expenses and decrease income for agencies. Business basics fought to be afflicted by improved aggressive pressures, higher hobby prices, great problems and control inability to execute on strategic and operational plans. Weak basics could lead to declining profits, losses and eventually a default on debt responsibilities.

You can't avoid risk; however you could control it via maintaining a diverse portfolio of shares, bonds and other assets. The portfolio composition ought to be constant with your financial objectives and tolerance for risk. Investment returns have a tendency to be higher for riskier property.

For example, savings accounts, certificates of deposit and Treasury bonds have lower costs of go back due to the fact they may be safe

investments, at the same time as lengthy-time period returns are higher for growth stocks and different riskier belongings.

2. Review of Literature:

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3. Research Methodology:

Research methodology is a collective term for the structured process of conducting research. There are many different methodologies used in various type of research and the term is usually considered to include research design, data gathering & data analysis.

Research Design:

Research design applying in this study is analytical one. The Risk and Return of company in FMCG are found out using tools like Beta, Compound Annual Growth Rate (CAGR), Mean, Median, Mode, Standard Deviation, and Correlation and value at risk. All analysis had been done using Msexcel.

Statement of the Problem

A Study on analysis of Risk and Return with respect to FMCG companies. The focus of this study is on relationship between the Nifty

Index and share prices of the selected companies. There are various studies relating to the same basis but they differ at the different points of period and nature of the study. This study majorly gives emphasis on the financial position of the selected companies and Risk involved with the share of those selected companies.

Objectives of the Study:

1. To analysis the Risk and Return of Selected FMCG companies.
2. To find the correlation between Index of NIFTY and selected FMCG scripts.
3. To find out the return of selected scripts based on their year to year growth rates.
4. To find out the Beta of selected FMCG companies.
5. To evaluate the performance of select FMCG companies with the Index (Sensex)

Scope of the Study:

The study is mainly concerned with the fundamental and technical analysis of HUL ltd, ITC ltd Nestle Ltd, Britannia ltd, Godrej ltd. where companies positions and their share price relation is been analyzed. The study covers a period of five years. It briefs the study is undertaken to analyze the risk involved and for the best investment option selection.

Sampling Design: Tools used in this research to find out objectives:

1. Compound Annual Growth Rate(CAGR)
2. Correlation
3. Beta
4. Value at Risk
5. Mean, Median, Mode and Standard Deviation.

Sources of data Secondary data

Secondary data has been used for the study. Data are collecting from various websites, reports and journals.

- NSE official website
- BSE official website
- Money control website

Limitations of the Study: There are many numbers of companies in the FMCG Sector in India in that I will considered TOP 5 FMCG [Companies](#)

for study based on the scrip's. Only 5 years data has been considered for the calculation.

4. Interpretation and Findings

Hindustan Unlived:

- HUL had in 2016 1.49% Expected Return with risk of 8.06% it had high risk rate compare to return. Correlation with Market index is 0.64% both stocks are moving in same direction. Volatility beta is having positive value that is 1.5. This it shows low return and high risk.
- HUL had in 2017 -0.13% Expected Return with risk of 8.06% it had high risk rate compare to return. In this year negative return. Correlation with Market index is 0.41% both stocks are moving in same direction. Volatility beta is having positive value that is 0.32. This it shows low return and highrisk.
- HUL had in 2018 4.51% Expected Return with risk of 4.46% it had high risk rate compare to return. Correlation with Market index is 0.5% both stocks are moving in same direction. Volatility beta is having positive value that is 0.81. This it shows low return and highrisk.
- HUL had in 2019 2.68% Expected Return with risk of 5.91% it had high risk rate compare to return. Correlation with Market index is 0.76% both stocks are moving in same direction. Volatility beta is having positive value that is 0.96. This it shows low return and highrisk.
- HUL had in 2020 0.69% Expected Return with risk of 5.21% it had high risk rate compare to return. Correlation with Market index is 0.19% both stocks are moving in same direction. Volatility beta is having positive value that is 0.32. This it shows low return and highrisk.

ITC:

- ITC had in 2016 0.82% Expected Return with risk of 19.05% it had high risk rate compare to return. Correlation with Market index is -0.28% both stocks are not moving in same direction. Volatility beta is having negative value that is -1.56. This it shows low return and highrisk.
- ITC had in 2017 0.1.29% Expected Return with risk of 0.03% it had low risk rate comparator return. Correlation with Market index is 0.86% both stocks are moving in same direction. Volatility beta is

having positive value that is 1.1. This it shows low return and high risk.

- ITC had in 2018 1.03% Expected Return with risk of 6.46% it had high risk rate compare to return. Correlation with Market index is 0.3% both stocks are moving in same direction. Volatility beta is having positive value that is 0.71. This it shows low return and high-risk.
- ITC had in 2019 0.89% Expected Return with risk of 6.16% it had high risk rate compare to return. Correlation with Market index is 0.87% both stocks are moving in same direction. Volatility beta is having positive value that is 1.14. This it shows low return and highrisk.
- ITC had in 2020 -1.14% Expected Return with risk of 4.81% it had high risk rate compare to return. Correlation with Market index is 0.7% both stocks are moving in same direction. Volatility beta is having positive value that is 0.76. This it shows low return and highrisk.

Nestle:

- Nestle had in 2016 -0.59% Expected Return with risk of 5.38% it had high risk rate compare to return. Correlation with Market index is 0.69% both stocks are moving in same direction. Volatility beta is having positive value that is 1.07. This it shows low return and highrisk.
- Nestle had in 2017 0.75% Expected Return with risk of 8.62% it had high risk rate compare to return. Correlation with Market index is 0.8% both stocks are moving in same direction. Volatility beta is having positive value that is 1.46. This it shows low return and highrisk.
- Nestle had in 2018 2.38% Expected Return with risk of 3.15% it had high risk rate compare to return. Correlation with Market index is -0.32% both stocks are not moving in same direction. Volatility beta is having negative value that is -0.37. This it shows low return and high risk.
- Nestle had in 2019 3.28% Expected Return with risk of 7.66% it had high risk rate compare to return. Correlation with Market index is 0.47% both stocks are moving in same direction. Volatility beta is having positive value that is 0.78. This it shows low return and highrisk.

- Nestle had in 2020 2.67% Expected Return with risk of 5.18% it had high risk rate compare to return. Correlation with Market index is 0.36% both stocks are moving in same direction. Volatility beta is having positive value that is 0.59. This it shows low return and highrisk.

Britannia:

- Britannia had in 2016 7.72% Expected Return with risk of 29.88% it had high risk rate compare to return. Correlation with Market index is negative correlation That is - 0.13%. Britannia and market relationship not in same direction. Volatility beta is faced negative value that is -1.52. This it shows low return and low risk but it had highrisk.
- Britannia had in 2017 0.17% Expected Return with risk of 38.53% it had high risk rate compare to return. Correlation with Market index is 0.44% both stocks are moving in same direction. Volatility beta is having positive value that is 0.76. This it shows low return and high risk.
- Britannia had in 2018 4.27% Expected Return with risk of 39.17% it had high risk rate compare to return. Correlation with Market index is negative correlation That is -- 0.03%. Britannia and market relationship not in same direction. Volatility beta is faced negative value that is -0.03. This it shows low return and low risk but it had highrisk.
- Britannia had in 2019 2.69% Expected Return with risk of 39.19% it had high risk rate compare to return. Correlation with Market index is 0.37% both stocks are moving in same direction. Britannia and market relationship same direction. . Volatility beta is having positive value that is 0.39. This it shows low return and high risk.
- Britannia had in 2020 -0.03% Expected Return with risk of 39.19% it had high risk rate compare to return. Return is negative value. Correlation with Market index is 0.59% both stocks are moving in same direction. Britannia and market relationship same direction. . Volatility beta is having positive value that is 0.53. This it shows low return and high risk.

Godrej:

- Godrej had in 2016 2.29% Expected Return with risk of 8.18% it had high risk rate compare to return. Correlation with Market index

is 0.49% both stocks are moving in same direction. Volatility beta is having positive value that is 1.17. This it shows low return and high risk.

- Godrej had in 2017 2.67% Expected Return with risk of 4.76% it had high risk rate compare to return. Correlation with Market index is 0.4% both stocks are moving in same direction. Volatility beta is having positive value that is 0.71. This it shows low return and high risk.
- Godrej had in 2018 2.12% Expected Return with risk of 8.02% it had high risk rate compare to return. Correlation with Market index is 0.67% both stocks are moving in same direction. Volatility beta is having positive value that is 1.25. This it shows low return and high risk
- Godrej had in 2019 2.12% Expected Return with risk of 8.02% it had high risk rate compare to return. Correlation with Market index is 0.67% both stocks are moving in same direction. Volatility beta is having positive value that is 1.25. This it shows low return and high risk.
- Godrej had in 2020 -1.05% Expected Return with risk of 7.48% it had high risk rate compare to return. Correlation with Market index is 0.68% both stocks are moving in same direction. Volatility beta is having positive value that is 1.53. This it shows low return and high risk.

Compound Annual Growth Rate:

- In 2016 HUL 6%, ITC -8%, Nestle -18% Britannia 59%, Godrej 26%.
- In 2017 HUL 3%, ITC 16%, Nestle 11% Britannia 9%, Godrej 25%.
- In 2018 HUL 60%, ITC 4%, Nestle 36% Britannia 51%, Godrej 29%.
- In 2019 HUL 35%, ITC 6%, Nestle 50% Britannia 35%, Godrej 17%.
- In 2020 HUL 10%, ITC -13%, Nestle 30%, Britannia -5%, Godrej -2%.

Suggestions:

- Present situation that last year is 2020 in this year based on CAGR

investor can invest in Nestle Company. Because this company had better growth rate compare to all companies. This is long term return.

- Compare to all year of each company risk rate is always higher than the Expected Return. In this we I can suggest to investor they can invest based on where risk low where return is high. Like they can invest in HUL based on their Return and Risk.
- An investor risk is uncertain, investor has to take risk in investment it is part. So, in this company investor should analyses the systematic risk and unsystematic risk. Where, systematic risk is less than the unsystematic they can in invest in that company. Because unsystematic risk control. Like ITC investor can invest in thesecompany.
- Some companies they can maintain same relationship direction with market it can help to increase their return and decrease therisk.
- They should maintain correlation with in the company as well as with the Nifty Index based on the company preference for increasing their performance in the market.

Conclusion:

In the investing world, the dictionary definition of risk is the chance that an investor's actual return will be different than expected. Risk means you have the possibility of losing some, or even all, of your original investment. Low levels of uncertainty are associated with low returns. High levels of risk are associated with high level of return. The risk or return trade off is the balance between the desire for the lowest possible risk and highest possible return. This study is focused on the Risk and return analysis of selected FMCG companies. This shows there is more risk and return involved in the each and every stock. It is found from the study, Hindustan Uniliver is best in terms of good return in some years not the all five years because compare to all company it has better return in some years. Investor can look for HUL and Godrej customer product for investment purpose.

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