



# A Review on Stock Exchange

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## Abstract

The stock exchange is among the most dynamic areas of the financial system, and it is very important for economic growth. Stock exchange is a place where facilities are provided to the investors to purchase and sell their shares. There are various companies that are listed in the stock exchange. The listed stock exchanges in India are NSE and BSE. India has the 5<sup>th</sup> largest stock exchange in the world. Many people think that they can predict the price of a stock but it's a fool's game to predict it. Predicting stock price is impossible because there are various numbers that are involved in it and it is not easy to predict. So, basically this review paper deals with the basic study of the stocks, types of the stocks along with the detailed view of the trident stock. Moreover, it also deals with the classification, crashes of the market, major stock changes and methodology.

**Keywords:** Shares, Indian Stock Market, BSE, NSE, Prediction, Stock market.

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## 1. Introduction

In stock market people can buy and sell shares or stocks of any firm. For example: If a person willing to sell his/her shares of Reliance Industries, then the stock market will help him in finding a trader who is interested in buying the shares of Reliance Industries. Various types of stocks are there in the market a person can buy and sell their stock anytime they want. Nowadays it is very easy to buy stocks. We can

There are many types of stocks in the market which we can buy like:

1. Tata motors DVR
2. Reliance Industries
3. Asian paints
4. Wipro
5. ITC
6. MRF
7. State Bank of India
8. J&K Bank
9. IRCTC
10. Trident
11. Paytm
12. Zomato
13. Nykaa
14. Tata Power
15. Axis bank.

buy stocks from our mobile phone also we don't need a broker to buy stocks if a particular person having a knowledge of how to buy stock. For buying stocks a person needs his/ her DEMAT account without DEMAT account he/she will not be able to buy stocks.

There are various applications in which we can open our Demat account like Upstox, Paytm Money, Zerodha, Groww etc....

There are many distinct sorts of equities that trade on the Indian stock market.

### Trident Stock Review

Founded: 1990

Sector: Textile

Chairman: Rajinder Gupta

Share Price: 55.45(as of 10 Mar)

Market Cap: 28,257 Cr.

### Revenue Breakdown of Trident Group

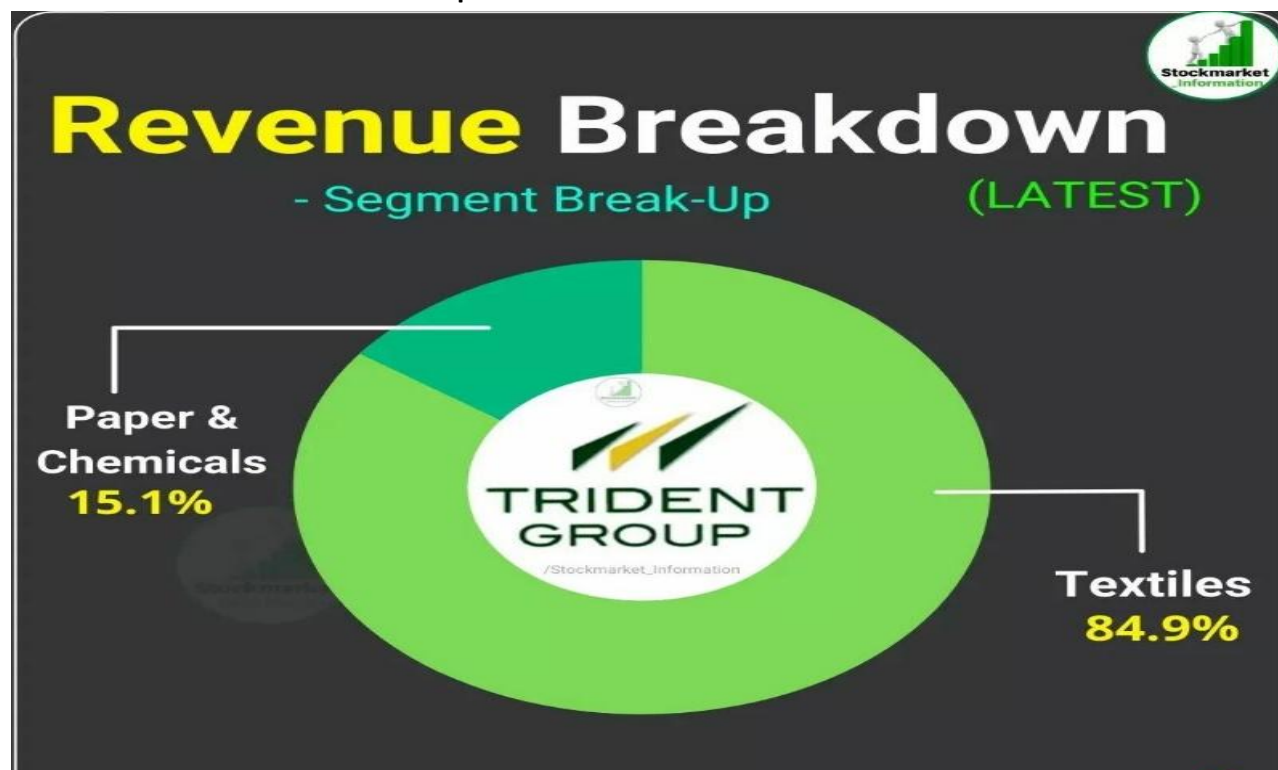


Figure 1

The Revenue of Trident Group is divided in two categories. 84.9% of the revenue is divided in the textiles and the remaining 15.1% in Paper & Chemicals group which is shown in Figure 1.

### Q3 Results (Dec2021)

Total Revenue: 1958 Cr

Net Profit: 209 Cr

### Annual Mar 2021

Total Revenue: 4519 Cr

Net Profit: 346 Cr

### Shareholding Pattern of Trident

The shareholding pattern is shown in Figure 2

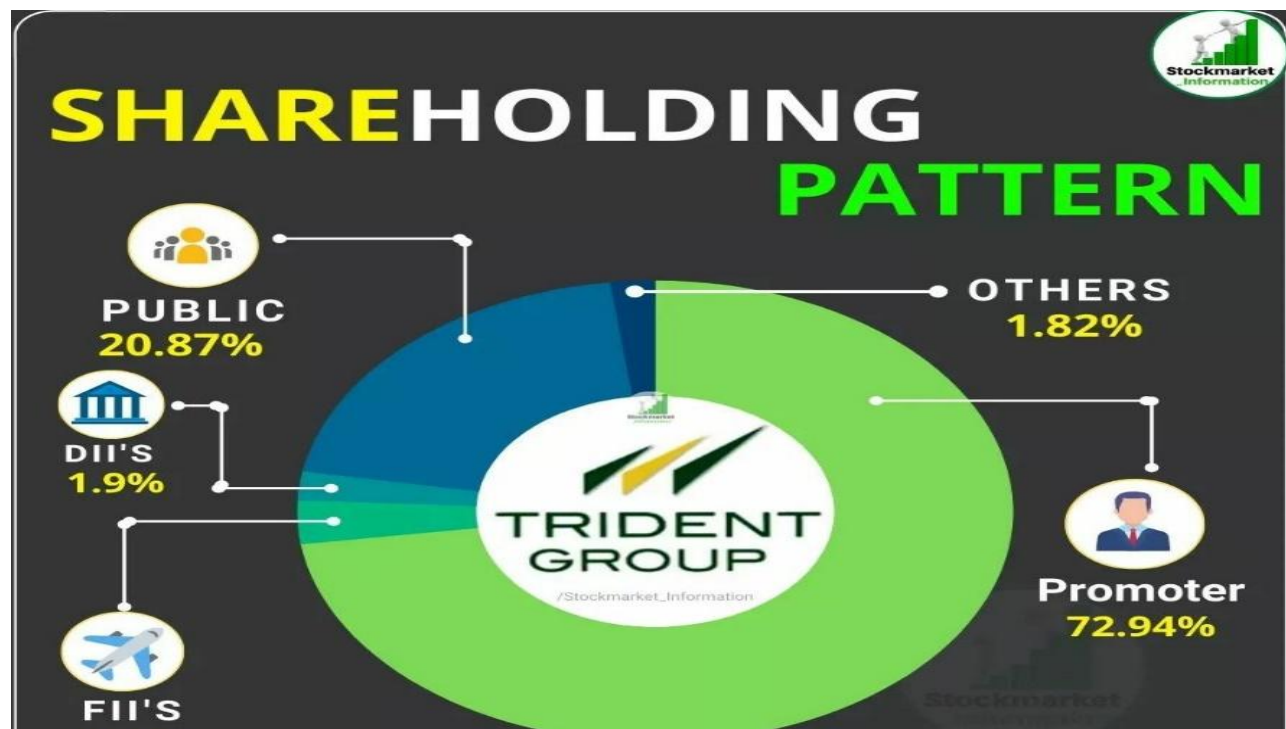


Figure 2

### Pros and Cons of Trident

#### Pros

- Company has reduced debt.
- The company is predicted to deliver a strong quarter.
- Company has been maintaining a healthy dividend payout of 49.32%.

#### Cons

- Trident is indeed auctioning at 7.92-fold retained earnings.
- Throughout the last few years, the entity has had margin expansion of 4.28 percent.
- For the fiscal years, the entity has had a subpar payout ratio of 1.57 percent.

This is not a fixed chart. This keeps on changing every day according to the price of the share which is explained in Figure 3.



# Technical Chart

## - Trident Ltd



Figure 3

- House furnishings, paper making, chemicals and power are considered to be the main reasons of the Trident group.
- Trident is considered to be one of the great yarn spinners in India as well as one of the world's wide-ranging towel producers.

## 2. Classification based on market capitalization

The market capitalization of a corporation, which is the total shareholding of a company, can be used to classify stocks. This is done by calculating the total number of shares of a company with the current market price of a share. Below are some types of shares depending upon the market capitalization.

### Large Cap Stocks

These are those stocks whose market capitalization is more than 20000 crores. These are the stocks of blue-chip corporations. Large cap stocks are also known as big cap stocks. In these types of stocks there is relatively low risk compared to other two. It's worth noting that

just because large cap companies are bigger doesn't mean they're growing faster. In reality, over a longer period of time, tiny stock businesses tend to outperform them. Large cap stocks, on the other hand, have the advantage of paying bigger dividends to investors than small and mid-cap stocks, ensuring that money is conserved over time.

### Mid Cap Stocks

These are those stocks whose market capitalization is about INR 5000 Crore to about INR 20000 crore. These are those stocks that lie between the large cap and small capstocks. People invest in these types of stocks because these stocks are less risky and are moderate than the other two stocks.

### Small Cap Stocks

Small cap stocks, as the name implies, have the smallest market value when compared to their counterparts. These are small businesses with a

market valuation of less than INR 5000 and the potential to grow rapidly in the future.








#### 4. Crashes

The huge fall in share prices of stocks which are mentioned on stock exchanges is called as stock market crash. It happens due to lack of faith in the public in which we are investing, with respect to many economic considerations. Speculative economic bubbles came to an end due to stock market collapses are popularly known, resulting in losses in billions of dollars and bulking wealth devastation.

People are getting devoted in stock market, mainly as social security and retirement programs are privatized up to the hilt and connected to stocks, bonds and other market elements. The widely known stock market collapses are:

1. The crash of 1987 also known as the Black Monday crash due to which the market faces nearly 22% decline in a single day which is still the highest downfall in the past.
2. The crash of 1992 also known as The Harshad Mehta Scam due to which the BSE faces a downfall of nearly about 12.77%.

#### World's Largest Stock Markets

	USA	\$47.3 Trillion.
	China	\$11.5 Trillion.
	Japan	\$6.0 Trillion.
	Hong Kong	\$5.6 Trillion.
	India	\$3.2 Trillion.
	UK	\$3.1 Trillion.
	Saudi Arabia	\$3.1 Trillion.

3. The crash of 2004 due to which BSE faces a downfall of 15.52%.
4. The crash of 2009 due to which BSE faces a downfall of 869 points.

#### 5. Market Size

As of 2016 there are total number of 60 stock exchanges in the whole world, among these 60 exchanges 16 are valued over 1 trillion dollars in market capitalisation representing over 87% of global market capitalisation. Apart from Australian stock exchange, other 15 are located in America, Asia, and Europe.

Since there is increase in financial awareness among people now a days, the total market capitalization of all publicly traded securities in the world grew from 2.5 trillion dollars in 1980 to 93.7 trillion dollars by the end of 2020.

USA has the largest stock markets as of January 2021, it accounts of 55.9% of world stock exchanges followed by Japan which has about 7.4% and then China which has around 5.4% share in world stock exchanges combined.

Recently India beats UK & Saudi Arabia to become the 5<sup>th</sup> largest Stock Market with total market cap

### **Classification based on fundamentals**

#### **Overvalued Shares**

These are those shares which are overvalued because their prices are higher than their intrinsic value.

#### **Undervalued Shares**

These are those shares which investors favour because they think the Value of these shares will rise in the future.

### **6.Major Stock Exchanges of India**

The major stock exchanges of India where the trades happen the most are - Bombay stock exchange (BSE) and the National stock exchange (NSE). Other than these two markets, there are few others regional stock exchanges, such as the Bangalore Stock Exchange and the Madras Stock Exchange, but both have failed to play any significant role revolution In India.

#### **National Stock Exchange(NSE)**

The National Stock Exchange of India (NSE) is one of the largest stock exchange markets, where people can buy and sell the shares of the publicly listed company. It is a Mumbai-based firm and established in 1992. The NSE's main index is the NIFTY50.

#### **Bombay Stock Exchange(BSE)**

In the year 1875 the Asia's first and India's oldest stock exchange was established. Its headquarters are located in Mumbai. It has a total number of 5,295 firms listed, out of which 3,972 of them are open for operation as of August 21, 2017. The company's main index is the BSE Sensex.

### **7.Key takeaways**

- 1.In stock market people can buy and sell shares or stocks of any traded company.
- 2.The two major stock exchanges in India are NSE and the BSE.
- 3.An individual must need to open a trading account first if he/she wants to invest in stock market.
- 4.SEBI regulates the Indian stock market.
- 5.DEMAT accounts, or dematerialized accounts, allow you to store shares in electronic form rather than physical certificates.

### **8.Methodology**

Stock Analysis and Way of its Working?

Examine as the entire of specific trading instrument, along with an investigating sector with the market is defined as stock analysis. The Prediction of an instruments' sectors or market future behavior are the efforts made by it.

The two basic stock analysis, firstly, fundamental analysis the data from sources, as well as financial and economic reports, firm assets and market share, are the major emphasis of fundamental research. Analysts and investors often evaluate the indicators on a business's financial statements- record, operation and income statements and footnotes. These statements are made public in the form of a 10-Q or 10-k filing through the United States Securities and Exchange Commission's (SEC) database system, EDGAR(SEC). During this time, a company's earnings report is also announced. Looking at the record, a stock analyst could wish to grasp the company's debt levels, and in this scenario, a stock analyst might utilize debt ratio, computed by dividing total liabilities by total assets. A debt ratio greater than one indicates that the company's debt has grown faster than its assets. Because of the company's significant leverage, analysts may assume that

the rise in interest rates will increase the likelihood of the company defaulting.

It is comparing a firm's current budget to past years' financial statements in order for an investor to assess if the company is expanding, steady, or degrading. A corporation's budget can also be compared to the budgets of other firm in the same production.

Moving on to another type of stock analysis, technical analysis, which examine valuable and current retail action in order to forecast the likelihood of future price fluctuations. It also looks at the entire financial market and is concerned primarily with volume and price, but demand and supply are the driving forces that influence the market.

Technical analysts utilise charts as a vital tool since they depict the graphical representation of a stock's trend within a defined fundamental measure.

A technical analyst, for example, may use a chart to label certain locations as support or resistance levels. Because the price trend is driven by supply and demand forces, technical stock analysis is effective on condition. It may not be affected by external influences during market swings. An act of terrorism, accounting scandals, management changes, monetary policy changes, and other events can all affect the price of a stock.

Fundamental and technical analysis are frequently carried out independently or simultaneously. Some analysts combine the two research methods, while others favor only one. In either case, using stock research to evaluate firms, zone, and thus the retail can be an important element of building the simplest investing strategy for one's portfolio.

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