International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume 6 Issue 6, September-October 2022 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

A Study on Risk and Return Analysis on Selected Equities with Reference to Shriram Insigh

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How to cite this paper: G. Naveen | Dr. P. Basaiah "A Study on Risk and Return Analysis on Selected Equities with Reference to Shriram Insigh" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-6 | Issue-6, October 2022, pp.358-371, URL: www.ijtsrd.com/papers/ijtsrd51872.pdf

IJTSRD51872

INTRODUCTION

The return on an investment and the risk of an investment are basic concepts in finance. The risk/return relationship is a fundamental concept in not only financial analysis, but in every aspect of life. If decisions are to lead to benefit maximization, it is necessary that individuals/institutions consider the combined influence on expected (future) return or benefit as well as on risk/cost. Return expresses the amount which an investor actually earned on an investment during a certain period. Return includes the interest, dividend and capital gains; while risk represents the uncertainty associated with a particular task. In financial terms, risk is the chance or probability that a certain investment may or may not deliver the actual/expected returns.

Investors attempt to maximize the expected return of their investment portfolio for a given amount of portfolio risk, or to minimize risk for a given level of expected return, which means that an investor who wants higher expected returns must accept more risk. Stock market investors must therefore identify various risk factors and evaluate the influence of these risk factors on the stock returns in the stock market. Identifying and investigating risk factors in the stock market can also be important for improving stock market performance. If investors are assured about the long-term performance of the stock market and the amount of risk is consistent with their expectations, investment in the stock market will increase and lead to economic development.

Risk and return are thus two important factors in stock market investments. The risk-return trade-off in the capital market and the behavior of stocks in response to risk factors have long interested economists. Risk factors that affect stock returns include unsystematic risk (or diversifiable risk) and systematic risk. Unsystematic risk is specific to a portfolio and it is controllable and reducible by diversification, but systematic is due to external factors and is not reducible by diversification. The systematic risk-return trade-off in the stock market and the reaction of stock returns to a variety of systematic risk factors are very important aspects in the field of finance.

Among the various systematic risk factors affecting stock returns, market risk is one of the most important factors and many studies have focused on it. Some studies show that individual asset prices such as stock prices are also sensitive to other systematic risk factors including economic news, and stock returns are influenced by unexpected fluctuations in macroeconomic variables such as oil prices, exchange rates and inflation. Thus, in addition to market risk, the economic risks faced by a country can also be considered as risk factors that affect stock returns

RISK:

Definition:

Risk implies future uncertainty about deviation from expected earnings or expected outcome. Risk measures the uncertainty that an investor is willing to take to realize a gain from an investment.

Meaning:

Risk is defined in financial terms as the chance that an outcome or investment's actual gains will differ from an expected outcome or return. Risk includes the possibility of losing some or all of an original investment.

Types of Risk:

Broadly speaking, there are two main categories of risk: systematic and unsystematic. Systematic risk is the market uncertainty of an investment, meaning that it represents external factors that impact all (or many)

companies in an industry or group. Unsystematic risk represents the asset-specific uncertainties that can affect the performance of an investment.

Below is a list of the most important types of risk for a financial analyst to consider when evaluating investment opportunities:

- **Systematic Risk** – The overall impact of the market
- **Unsystematic Risk** – Asset-specific or company-specific uncertainty
- **Political/Regulatory Risk** – The impact of political decisions and changes in regulation
- **Financial Risk** – The capital structure of a company (degree of financial leverage or debt burden)
- **Interest Rate Risk** – The impact of changing interest rates
- **Country Risk** – Uncertainties that are specific to a country
- **Social Risk** – The impact of changes in social norms, movements, and unrest
- **Environmental Risk** – Uncertainty about environmental liabilities or the impact of changes in the environment
- **Operational Risk** – Uncertainty about a company's operations, including its supply chain and the delivery of its products or services
- **Management Risk** – The impact that the decisions of a management team have on a company
- **Legal Risk** – Uncertainty related to lawsuits or the freedom to operate

Return:

Definition:

A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment over some period of time.

Meaning:

- Return, also called return on investment, is the amount of money you receive from an investment. You can think of it this way. For every dollar you put into an investment, the investments earns two dollars. This money that the investment earns is considered your return.

Nominal Return

A nominal return is the net profit or loss of an investment expressed in the amount of dollars (or other applicable currency) before any adjustments for taxes, fees, dividends, inflation, or any other influence on the amount. It can be calculated by figuring the change in the value of the investment over a stated time period plus any distributions minus any outlays.

Distributions received by an investor depend on the type of investment or venture but may include dividends, interest, rents, rights, benefits, or other cash-flows received by an investor. Outlays paid by an investor depend on the type of investment or venture but may include taxes, costs, fees, or expenditures paid by an investor to acquire, maintain, and sell an investment.

Real Return

A real rate of return is adjusted for changes in prices due to inflation or other external factors. This method expresses the nominal rate of return in real terms, which keeps the purchasing power of a given level of capital constant over time.

Adjusting the nominal return to compensate for factors such as inflation allows you to determine how much of your nominal return is real return. Knowing the real rate of return of an investment is very important before investing your money. That's because inflation can reduce the value as time goes on, just as taxes also chip away at it.

INDUSTRY PROFILE:

Indian financial market consists of money market and capital market. Money market is mainly for the short-term needs and capital market for long term needs.

CAPTAL MARKET AND ITS STRUCTURE

Capital market is a financial market, which provides and facilitates an orderly exchange of long term needs. The capital market in India is classified into

- Primary market
- Secondary market

The primary market deals with new issue of long term securities. Whereas the secondary market deals with buying and selling of old, second hand, existing securities, which are already listed in official trading list of recognized stock exchange. Players of 'New Issue Market' are mainly, among them the most important are:

- Merchant banker's
- Registrars
- Collecting and coordinating bankers
- Underwriters and broker

Players of secondary market are:

- Issuers of securities like companies
- Intermediaries like brokers, and sub-brokers etc.

NATIONAL STOCK EXCHANGE (NSE)

The National Stock Exchange (NSE) is India's leading stock exchange covering various cities and towns across the country. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practices and procedures. NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. The market today uses state-of-art information technology to provide an efficient and transparent trading, clearing and settlement mechanism, and has witnessed several innovations in products & services viz.

demutualization of stock exchange governance, screen based trading, compression of settlement cycles, dematerialization and electronic transfer of securities, securities lending and borrowing, professionalization of trading members, fine-tuned risk management systems, emergence of clearing corporations to assume counterparty risks, market of debt and derivative instruments and intensive use of information technology. The National Stock Exchange of India Limited has genesis in the report of the High Powered Study Group on Establishment of New Stock Exchanges, which recommended promotion of a National Stock Exchange by financial institutions (FIs) to provide access to investors from all across the country on an equal footing. Based on the recommendations, NSE was promoted by leading Financial Institutions at the behest of the Government of India and was incorporated in November 1992 as a tax-paying company unlike other stock exchanges in the country. On its recognition as a stock exchange under the Securities Contracts (Regulation) Act, 1956 in April 1993, NSE commenced operations in the Wholesale Debt Market (WDM) segment in June 1994. The Capital Market (Equities) segment commenced operations in November 1994 and operations in Derivatives segment commenced in June 2000.

BOMBAY STOCK EXCHANGE (BSE)1

ABOUT BSE

Bombay Stock Exchange Limited is the oldest stock exchange in Asia with a rich heritage. Popularly known as "BSE", it was established as "The Native Share & Stock Brokers Association" in 1875. It is the first stock exchange in the country to obtain permanent recognition in 1956 from the Government of India under the Securities Contracts

(Regulation) Act, 1956.The Exchange's pivotal and pre-eminent role in the development of the Indian capital market is widely recognized and its index, SENSEX, is tracked worldwide. Earlier an Association of Persons (AOP), the Exchange is now a demutualised and corporatized entity incorporated under the provisions of the Companies Act, 1956, pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 notified by the Securities

Exchange Board of India (SEBI). With demutualization, the trading rights and ownership rights have been de-linked effectively addressing concerns regarding perceived and real conflicts of interest. The Exchange is professionally managed under the overall direction of the Board of Directors. The Board comprises eminent professionals, representatives of Trading Members and the Managing Director of the Exchange. The Board is inclusive and is designed to benefit from the participation of market intermediaries.

system of the Exchange and is BS 7799-2-2002 certified. The surveillance and clearing & settlement functions of the Exchange are ISO 9001:2000 certified.

HERITAGE

First in India to introduce Equity Derivatives

First in India to launch a Free Float Index

First in India to launch US$ version of BSE Sensex

First in India to launch Exchange Enabled Internet Trading Platform First in India to obtain ISO certification for Surveillance, Clearing & Settlement

RESEARCH METHODOLOGY

NEED OF THE STUDY

- The study helps in the measurement of risk and return that helps the investor to take investment decisions wisely.

SCOPE OF THE STUDY

- The study is confined to calculation of risk and return of selected equities for the period of five years i.e 2017-2021.

OBJECTIVES OF THE STUDY

- To study the relationship between risk and return analysis of selected equities.
- To analyse the performance of selected equities.
- To rank the companies on the basis of risk and return of selected equities

RESEARCH METHODOLOGY:

SOURCES OF DATA

- The study is based on the secondary data only.
- The data was collected through websites and journals

TOOLS AND TECHNIQUES

- Graphs
- Mean
- Standard deviation
- Sharpe ratio
- **T test**

SOFTWARES

MS EXCEL

HYPOTHESIS

H0:There is no significance difference between risk and return of selected equities.

H1:There is a significance difference between risk and return of selected equities

LIMITATIONS OF THE STUDY:

The study covers the analysis of risk and return of the selected equities only.

The study covers the data analysis of past 5 financial years only i.e, 2016-2017.

DATA ANALYSIS INTER PREATION:

INTERPRETATION: The Returns of Axis bank are highest in the year 2019-33 and lowest in the year 2020-(-135).The total annual rate of return for the Axis bank is 46.24.

Table: 4.2 RISK OF AXIS BANK

AXIS BANK	RETURN (R)	AVERAGE RETURN(Ro)	DEVIATION (R-Ro)	SQUARE DEVIATIONS (R-Ro)
2017	25.0554324	22.08935332	2.966079053	8.79
2018	9.92907801	22.08935332	-12.16027531	147.87
2019	21.221865	22.08935332	-0.867488368	0.75
2020	-17.880795	22.08935332	-39.97014802	1597.61
2021	7.90322581	22.08935332	-14.18612751	201.24
TOTAL	46.2288064			1956.28
			VAR	3041.96
			SD	55.15

INTERPRETATION: The variance and standard deviaion of AXIS BANK is 3041.96 and 55.15

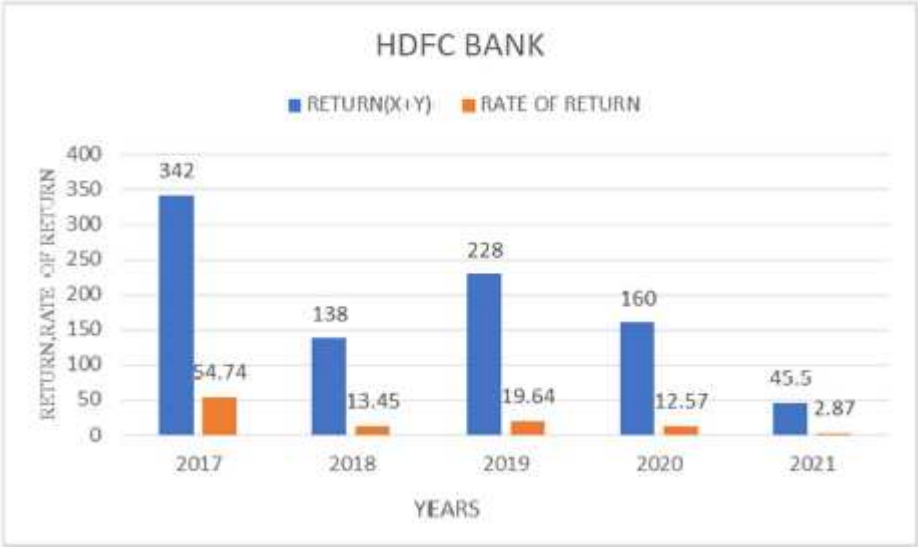
VARIANCE=1/(5-1)*(1131.54)

=282.88

RETURN OF HDFC BANK:

HDFC BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	605	936	331	11	342	54.74
2018	936	1061	125	13	138	13.45
2019	1064	1272	208	20	228	19.64
2020	1276	1436	160	0	160	12.57
2021	1440	1479	39	6.5	45.5	2.87
						103.29

AXIS BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	451	564	113	5	118	25.06
2018	564	620	56	0	56	9.92
2019	622	754	132	1	133	21.22
2020	755	620	-135	0	-135	-17.88
2021	620	669	49	0	49	7.90
TOTAL						46.24



INTERPRETATION:

The Returns of HDFC bank are highest in the year 2017-54.71 and lowest in the year 2021-2.70.The total annual rate of return for the Axis bank is 102.86

RISK OF HDFC BANK:

HDFC BANK	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	54.74	20.654	34.086	1161.85
2018	13.45	20.654	-7.204	51.89
2019	19.64	20.654	-1.014	1.028
2020	12.57	20.654	-8.084	65.35
2021	2.87	20.654	-17.784	316.27
TOTAL	103.27		TOTAL	1596.40
			VARIANCE	399.10
			STANDARD DEVIATION	19.97

INTERPRETATION:

The variance and standard deviaion of HDFC BANK is 399.10 and 19.97

Varience= 1/(5-1)*(1596.40)

= 399.10

Standard deviation=$\sqrt{399.10}$ **=19.97**

Table: 4.5 RETURNS OF SBI BANK:

SBI BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	253	310	57	2.6	59.6	22.57326843
2018	311	296	-15	0	-15	-4.823151125
2019	298	334	36	0	36	12.08053691
2020	335	275	-60	0	-60	-17.91044776
2021	275	460	185	4	189	67.29389129
						79.21409775

Graph 4.3 RETURN and RATE OF RETURN SBI BANK:

INTERPRETATION: The Returns of SBI bank are highest in the year 2017-22.52 and lowest in the year 2020-(-17.91).The total annual rate of return for the Axis bank is 79.14

RISK OF SBI BANK:

SBI BANK	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	22.57	15.842	6.728	45.26
2018	-4.82	15.842	-20.662	426.91
2019	12.08	15.842	-3.762	14.15
2020	-17.91	15.842	-33.752	1139.19
2021	67.29	15.842	67.29	4527.94
TOTAL	79.21			6153.47
			VARIANCE	1538.36
			STANDARD DEVIATION	39.22

INTERPRETATION:

The variance and standard deviaion of SBI BANK is 1538.36 and 39.22.

Variance=1/(5-1)*(6153.47)

= 1538.36

Standard deviation=$\sqrt{1538.36}$

=39.22

Table 4.7 RETURN OF ICICI BANK

ICICI BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	233	314	81	2.5	83.5	34.79
2018	314	360	46	1.5	47.5	14.68
2019	362	539	177	1	178	48.90
2020	540	535	-5	0	-5	-0.92
2021	536	740	204	2	206	38.06
						135.51

INTERPRETATION: The Returns of SBI bank are highest in the year 2019-48.89 and lowest in the year 2020-(-0.92).The total annual rate of return for the Axis bank is135.44

Graph 4.4 RETURN and RATE OF RETURN ICICI BANK:

Table: 4.8 RISK OF ICICI BANK:

ICICI BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	233	314	81	2.5	83.5	34.79
2018	314	360	46	1.5	47.5	14.68
2019	362	539	177	1	178	48.90
2020	540	535	-5	0	-5	-0.92
2021	536	740	204	2	206	38.06
						135.51

INTERPRETATION:

The variance and standard deviaion of ICICI BANK is 398.61 and 19.96.

Variance=1/(5-1)*(1594.46)
= 398.61

Standard deviation= $\sqrt{398.61}$
=19.96

TABLE 4.9 RETURNS OF KOTAK MAHINDRA BANK

KOTAK MAHINDRA BANK	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	720	1010	290	0.6	290.6	40.27
2018	1012	1257	245	0.7	245.7	24.21
2019	1254	1684	430	0.8	430.8	34.29
2020	1689	1996	307	0	307	0.18
2021	1997	1796	-201	0.9	-200.1	-10.06
						88.89

GRAPH 4.5 RETURN AND RISK KOTAK MAHINDRA BANK:

INTERPRETATION: The Returns of KOTAK MAHINDRA bank are highest in the year 2017-40.27 and lowest in the year 2020-(-10.06).The total annual rate of return for the Axis bank is106.88

TABLE 4.10 RISK OF KOTA MAHINDRA:

KOTAK MAHINDRA BANK	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	40.27	17.77	22.50	506.27
2018	24.21	17.77	6.43	41.38
2019	34.29	17.77	16.51	272.67
2020	0.18	17.77	-17.59	309.67
2021	-10.06	17.77	-27.84	775.56
TOTAL	88.89			1905.56
			Variance	476.39
			Standard deviation	21.82

INTERPRETATION:

The variance and standard deviaion of KOTAK MAHINDRA BANK is 476.39 and 21.82.

Variance=1/(5-1)*(1905.56) = 476.39

Standard deviation= $\sqrt{476.39}$ =21.82

TABLE 4.11 RETURN OF HCL TECHOLOGIGES:

HCL technologies	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	412	445	33	16	49	8.33
2018	445	482	37	8	45	8.49
2019	481	568	87	10	97	18.19
2020	569	946	377	8	385	66.27
2021	942	1319	377	42	419	40.12
						141.41

GRAPH 4.6 RETUN AND RISK HCL TECHOLOGIGES

INTERPRETATION: The Returns of hcl are highest in the y ear 2020-40.02 and lowest in the year 2017-8.00.The total annual rate of return for the Axis bank is 140.60

Table: 4.12 RISK OF HCL TECHNOLOGIES:

HCL technologies	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	8.33	28.28	-19.94	397.89
2018	8.49	28.28	-19.79	391.69
2019	18.19	28.28	-10.09	101.87
2020	66.27	28.28	37.99	1443.52
2021	40.12	28.28	11.83	140.13
TOTAL	141.41			2475.12
			Variance	618.78
			Standard deviation	24.87

INTERPRETATION:

The variance and standard deviation of HCL TECHNOLOGIES is 618.78 and 24.87.

Variance=1/(5-1)*(2475.12) = 618.78

Standard deviation=$\sqrt{618.78}$ =24.87

TABLE 4.13 REUTNS OF INFOSYS

INFOSYS	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	412	445	33	23.75	56.75	8.42
2018	445	482	37	37.5	74.5	8.81
2019	481	568	87	22.5	109.5	18.29
2020	569	946	377	31.5	408.5	66.33
2021	942	1319	377	30	407	40.09
						141.96

GRAPH 4.7 RETUNS AND RISK INFOSYS

INTERPRETATION: The Returns of INFOYS are highest in the year 2020-70.88 and lowest in the year 2017-2.00.The total annual rate of return for the Axis bank is 140.60

Table: 4.14 RISK OF INFOSYS:

INFOSYS	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	8.42	28.39	-19.96	398.61
2018	8.81	28.39	-19.57	383.20
2019	18.29	28.39	-10.10	102.02
2020	66.33	28.39	37.94	1439.45
2021	40.09	28.39	11.70	136.92
TOTAL	141.96			2460.22
			Variance	615.05
			Standard deviation	24.80

INTERPRETATION:

The variance and standard deviation of HCL TECHNOLOGIES is 618.78 and 24.87.

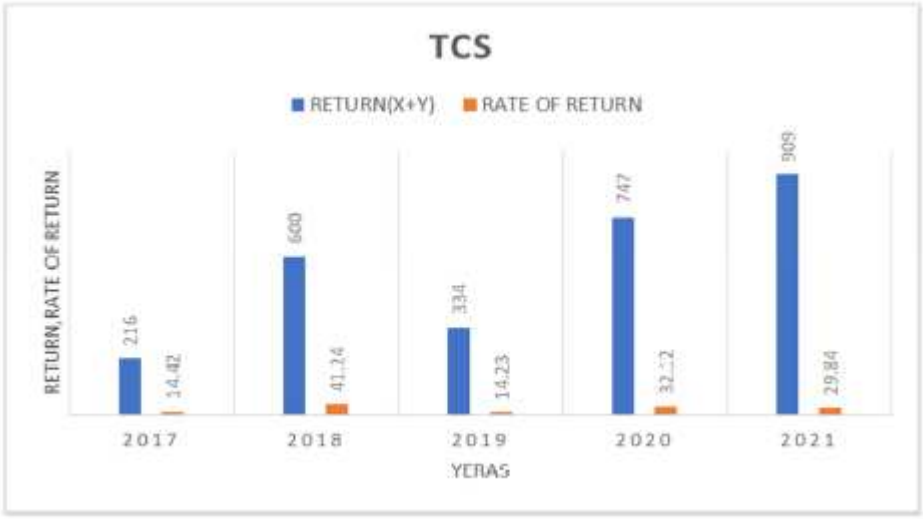
Variance=1/(5-1)*(2460.22) = 615.05

Standard deviation=$\sqrt{615.05}$ =24.80

TABLE 4.15 RETUNS OF TCS

TCS	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	1183	1351	168	48	216	14.42
2018	1341	1893	552	48	600	41.24
2019	1896	2162	266	68	334	14.23
2020	2168	2863	695	52	747	32.12
2021	2880	3738	858	51	909	29.84
						131.87

GRAPH 4.8 RETUNS AND RISK



INTERPRETATION: The Returns of TCS are highest in the year 2018-41.02 and lowest in the year 2017-14.20.The total annual rate of return for the Axis bank is 131.24

TABLE 4.16 RISK OF TCS

TCS	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN
2017	1183	1351	168	48	216
2018	1341	1893	552	48	600
2019	1896	2162	266	68	334
2020	2168	2863	695	52	747
2021	2880	3738	858	51	909

INTERPRETATION:

The variance and standard deviation of TCS is 618.78 and 24.87.

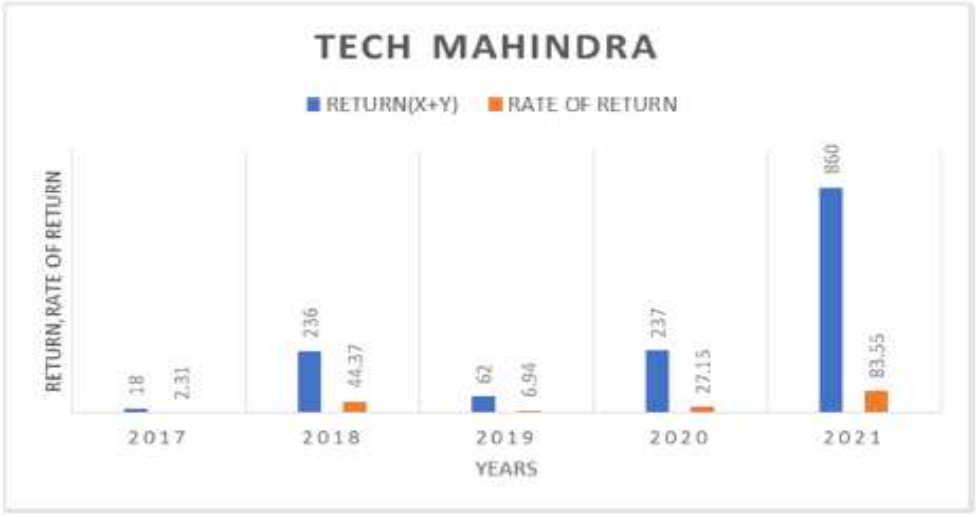
Variance=1/(5-1)*(413.63) = 139.11

Standard deviation=$\sqrt{139.11}$ =11.79

TABLE 4.17 RETUNS OF TECH MAHINDRA

TECH MAHINDRA	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	495	504	9	9	18	2.31
2018	501	723	222	14	236	44.37
2019	714	762	48	14	62	6.94
2020	766	973	207	30	237	27.15
2021	976	1791	815	45	860	83.55
						164.34

GRAPH 4.9 RETUNS AND RISK TECH MAHINDRA



INTERPRETATION: The Returns of TECH MAHINDRA are highest in the year 2021-83.55 and lowest in the year 2017-2.31.The total annual rate of return for the Axis bank is 131.24

TABLE 4.18 RISK OF TECH MAHINDRA

TECH MAHINDRA	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	2.31	32.86	-30.55	933.33
2018	44.37	32.86	11.50	132.29
2019	6.94	32.86	-25.92	671.86
2020	27.15	32.86	-5.71	32.70
2021	83.55	32.86	50.68	2569.23
TOTAL	164.34			4339.43
				1084.85
				32.93

INTERPRETATION:

The variance and standard deviation of TECH MAHINDRA is 1084.85 and 32.93.

Variance=1/(5-1)*(4339.43) = 1084.85

Standard deviation=√1084.85 =32.93

TABLE 4.18 RETUNS OF WIPRO

WIPRO	OPEN PRICE	CLOSE PRICE	PRICE CHANGE	DIVIDEND	RETURN	RATE OF RETURN
2017	178	236	58	2	60	32.61
2018	234	248	14	1	15	0.12
2019	248	246	-2	1	-1	0.19
2020	247	386	139	1	140	56.28
2021	385	715	330	1	331	85.71
						174.93

GRAPH 4.10 RETUNS AND RISK WIPRO

INTERPRETATION: The Returns of TCS are highest in the year 2018-41.02 and lowest in the year 2017-14.20.The total annual rate of return for the Axis bank is 131.24

TABLE 4.19 RISK OF WIPRO:

WIPRO	RATE OF RETURN	AVERAGE RETURN	DEVIATION	SQUARE DEVIATION
2017	32.61	34.98	-2.36	5.61
2018	0.12	34.98	-34.86	1215.28
2019	0.19	34.98	-34.79	1210.61
2020	56.28	34.98	21.29	453.47
2021	85.71	34.98	50.72	2573.51
TOTAL	174.93			5458.51
			variance	1364.62
			Standard deviation	36.94

INTERPRETATION:

The variance and standard deviation of WIPRO is 1364.62 and 36.94.

Variance=1/(5-1)*(5458.51) = 1364.62

Standard deviation=$\sqrt{1364.62}$ =36.49

Table: 4.21 RISK AND RETURN ANALYSIS:

RANK	EQUITIES	SHARPE RATIO
1	TCS	2.23
2	ICICI BANK	1.35
3	INFOSYS	1.14
4	HCL TECHNOLOGIES	1.13
5	HDFC BANK	1.03
6	TECH MAHINDRA	0.99
7	WIPRO	0.94
8	KOTAK MAHINDRA BANK	0.81
9	AXIS BANK	0.54
10	SBI BANK	0.4

INTERPRETATION:

The average return and the risk of selected equities i.e AXIS BANK-9.24,16.81, HDFC BANK-19.97, SBI BANK-39.22, ICICI BANK-19.96, KOTAK MAHINDRA BANK-21.82, HCL TECHNOLOGIES-21.82, INFOSYS-24.8, TCS-11.79, TECH MAHINRA-32.93, WIPRO-36.94.

Graph 4.13 TOTAL YEAR RETURNS:

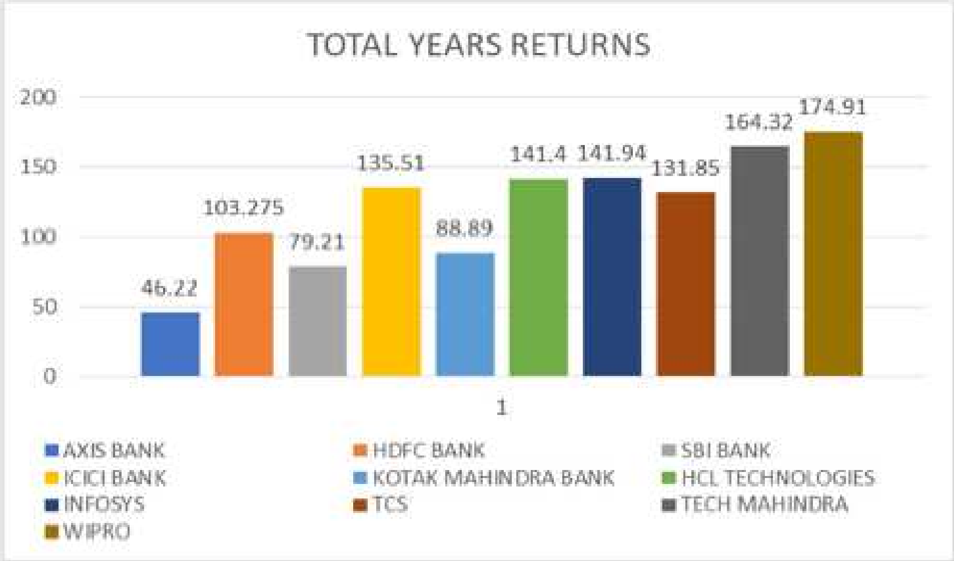
Table: 4.23 Performance of Equities basis on return:

EQUITIES	TOAL RETUNS
AXIS BANK	46.22
HDFC BANK	103.275
SBI BANK	79.21
ICICI BANK	135.51
KOTAK MAHINDRA BANK	88.89
HCL TECHNOLOGIES	141.4
INFOSYS	141.94
TCS	131.85
TECH MAHINDRA	164.32
WIPRO	174.91

INTERPRETATION:

The total years of return for the selected equities are for AXIS BANK-46.22,HDFC BANK-103.275,SBI BANK-79.21,ICICI BANK-135.51,KOTAK MAHINDRA BANK-88.89,HCL TECHNOLOGIES-141.1,INFOSYS-141.94,TCS-131.85,TECH MAHINDRA-164.32,WIPRO-174.91.

Graph 4.13 TOTAL YEAR RETURNS:



HYPOTHESIS:

T-Test

Group Statistics

	[illegible]	N	Mean	Std. Deviation	Std. Error Mean
[illegible]	[illegible]	5	18.1240	6.54220	2.92577
	[illegible]	5	30.1780	3.76000	1.68155

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Significance One-Sided p	Significance Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
[illegible]	Equal variances assumed	.719	.422	-3.611	8	.003	.007	-12.05200	3.33733	-19.74780	-4.35618
	Equal variances not assumed			-3.611	6.209	.005	.011	-12.05200	3.33733	-20.15298	-3.95102

INTERPRETATION:

Independent sample t-test is performed to test the significance difference between between return of banking and information technology sector the value is greater than 0.05 that is 0.07. Hence, null hypothesis is accepted i.e there is no significance difference between return of banking and information technology sector.

HYPOTHESIS:

T-Test

Group Statistics

	[illegible]	N	Mean	Std. Deviation	Std. Error Mean
[illegible]	[illegible]	5	23.5560	8.83171	3.94738
	[illegible]	5	26.2660	9.44383	4.21175

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Significance One-Sided p	Significance Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
[illegible]	Equal variances assumed	.220	.614	-.481	8	.329	.657	-2.71000	5.66077	-15.27108	9.85108
	Equal variances not assumed			-.481	7.954	.329	.657	-2.71000	5.66077	-15.29463	9.87463

INTERPRETATION:

Independent sample t-test is performed to test the significance difference between between risk of banking and information technology sector the value is greater than 0.05 that is 0.07. Hence, null hypothesis is accepted i.e there is no significance difference between risk of banking and information technology sector.

FINDINGS

- The total highest returns for the selcted equities for the period is given by the AXIS BANK which is 174.9 per-cent.
- The lowest returns is given by the WIPRO which is 46.22 per-cent.
- The highest average returns for the selected equities for the period is given by WIPRO which is 34.98 per-cent with high risk of 36.94 per-cent.
- The lowest average returns is given by the AXIS BANK which is 9.24 per-cent with risk of 16.81.
- The equity TCS is having high sharpe ratio(2.23) with low risk of 11.79 .
- The equity SBI BANK having low sharpe ratio(0.40) with high risk of 39.22.

SUGGESTIONS

- It is suggested for the investors who is able to take more risk can go for WIPRO since it generates more returns with more risk and also having good sharpe ratio.
- It is suggested for the investors who is able to take moderate risk can go for ICICI BANK since it generates good returns with moderate risk and also having good sharpe ratio.
- It is suggested for the investors who is able to take low risk can go for TCS since it generates good returns with low risk and also having high sharpe ratio.

CONCLUSION

- The study will guide the investor who want to invest in EQUITIES by providing knowledge about how to measure the risk and returns of the EQUITIES in selected equities.
- It is concluded that equity TCS is generated good returns with low risk when compared to the other equities.
- It is concluded that equity WIPRO is generted high returns with high risk when compared to the other equities.

REFERANCE:

[1] https://www.nseindia.com

[2] https://www.moneycontrol.com