A Project Work On

"A study on comparative risk and return analysis of selected it companies"

Submitted To

Karnatak University Dharwad

In partial fulfilment of the Requirements for the Degree of

Master of Commerce

By:

Mr. Mohammed Waseem

Registration Number: 19C011046

Under the supervision of

Prof. Muneeb Sada

Department of PG Studies in Commerce

ANJUMAN ARTS, SCIENCE, COMMERCE COLLEGE AND P.G CENTRE, ANJUMANABAD, BHATKAL-581320

2020-21

A.H.M.'s
ಅಂಜುಮನ್ ಕಲಾ, ವಿಜ್ಞಾನ, ವಾಣಿಜ್ಯ ಮಹಾವಿದ್ಯಾಲಯ ಹಾಗೂ ಸ್ನಾತಕೋತ್ತರ ಕೇಂದ್ರ
ANJUMAN ARTS, SCIENCE, COMMERCE COLLEGE & P.G. CENTRE
(AFFILIATED TO THE KARNATAK UNIVERSITY, DHARWAD)
Accredited "B" Grade by NAAC

Box No. 02
manabad, BHATKAL - 581 320 (Uttar Kannada)
08385 (O) 226443 (F) 228443 (M) 9886212692
ail : anjumancollegebkl@gmail.com
site : www.anjuman.edu.in

ಪೋಸ್ಟ್ ಬಾಕ್ಸ್ ನಂ. ೦೨
ಅಂಜುಮನಾಬಾದ್, ಭಟ್ಕಳ - ೫೮೧ ೩೨೦
(ಉತ್ತರ ಕನ್ನಡ) ಕರ್ನಾಟಕ ರಾಜ್ಯ
ದೂರವಾಣಿ : ೦೮೩೮೫ (ಒ) ೨೨೬೪೪೩ (ಫ್ಯಾಕ್ಸ್) ೨೨೮೪೪೩
(ಮೊ) ೯೮೮೬೨೧೨೬೯೨

Certificate

This is to Certify that the Project work Titled **"A comparative Study on Risk and Return Analysis of Selected IT companies"** is an original record of field works done by **Mr. Mohammed Waseem** with Registration No.**19C011046** in a partial fulfillment of the award of degree of **Master of Commerce** of the **Karnatak University, Dharwad** during 2020-21. The project satisfies the academic requirements in respect of project work prescribed for the Degree of **Master of Commerce** and is a record of his own independent work.

This project is based on the studies carried out by his and has not been submitted to any other University or Institution for the award of any degree or diploma.

13/09/2021
Project Guide
Prof. Mohammed Muneeb

Principal
Prof. M. K Shaikh

INTRODUCTION

Security Analysis is the analysis of tradable financial instruments called Securities. These can be classified into Debt securities, Equities, or some hybrid of the two. Investing involves risk of loss of principal and is more concerned with the return of investment. This total risk measured by standard deviation, can be divided into two parts: Unsystematic Risk and Systematic Risk. Unsystematic Risk is also called a diversifiable risk. Systematic Risk may be called non-diversifiable risk. Unsystematic Risk or Market Risk can be measured by Beta. The Security
Analysis relationship is a fundamental concept not only in financial analysis, but also 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. The requirement that expected return/benefit be commensurate with risk/cost is known as the "risk/return trade-off" in finance.

Investors always consider risk and return while making any investment decisions. The amount of risk assumed and the amount of expected return have a positive relationship. Greater the risk, Greater the return, lower the risk, lower the return. Rational investors would have some degree of risk only if he is adequately compensated for it. The risk can be

Broadly classified into systematic and unsystematic risk. Systematic risk is related to economic trends which affect the whole market and cannot be eliminated by diversification of portfolio, while unsystematic risk can be controlled if proper measures are taken.

An individual (investor) decision-making process is influenced by the way he analyses the return and the risk associated with the investment. The research is based on the study of risk and return assessments of the selected 5 IT companies which are listed on the NSE/BSE. The analysis of risk and returns of a stock is of utmost importance. An investor who wants to earn high returns should also be ready to face and accept the high risks which will be associated with that investment. Based on risk & return analysis, if the risk is low the

returns will also be low whereas when the risk is high the returns will also be high.

Risk and return go jointly; every investment is subjected to risk to some extent. The best investment is one that increases the return by taking minimum risk into consideration.

FINDINGS

- TCS has good potential with minimal risk.
- Wipro has very low risk but return is also less.
- Infosys have moderate risk and return is little higher than the Wipro.
- HCL has a lower return but little risky compare to Infosys.
- Tech Mahindra shows high return but risk is also high.
- Stock market is doo platform to make money.
- Expertise knowledge in stock market is very necessary.
- For new investor it is batter to go with Wipro.
-

SUGGESTION

The stock market platform is good for making money by investing in good stocks. Since the 1990 till now the stock market in India is growing day by day. but for that you need know how stock market works, the buying and selling strategy you should know after the statistical analysis of 5 selected it company it indicate that the WIPRO, TCS, HCS, and Infosys this 4 companies are less risky than the tech Mahindra I suggest that for the purpose of long term investor can invest in this companies and the experience person take benefits of short term trading with the tech Mahindra company.

CONCLUSION

After the calculating the tactical analysis of selected it companies we found some out as we selected five information technology companies we seen their growth chart and other statistical analysis it shows the sum of companies have return is high as well as risk is also high as per my suggestion if somebody has new in the stock market he should take expert advice it is safer for him if someone is blindly trading means he just losing his money.

Experts they do lots of technical and fundamental analysis as well as tactical analysis and along with that they have lots of market experience which they can give better advice for the beginner for doing trade whether you have to go with expert advice either you need to learn continuously about stock market than only you can make a huge profit from the stock market.

The Indian stock market graph is increasing day bay if we see since 1990 till now it cross 58000 points it shows that the Indian people are getting interested in investing along with