A STUDY ON PERFORMANCE OF BLUE CHIP STOCKS WITH REFRENCE TO SHARE KHAN PVT LTD

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ABSTRACT

Blue-chip stocks are viewed as high-esteemed, incomparable long haul speculation vehicles. Generally, they have appeared to produce development in long haul portfolios. Blue-chip stocks will be supplies of notable and entrenched organizations. Blue chip stocks have a few attributes that advantage financial specialists over the long haul. Most of financial specialists realize blue-chip stocks have stable profit. During a monetary downturn, speculators may go to these places of refuge in view of their protected nature. Blue-chip organizations offer security during times of eased back development because of their smart supervisory crews and capacity to produce stable benefits.

Keywords: Blue-chip stocks, organizations, portfolios.

INTRODUCTION

Blue-chip stocks are viewed as high-esteemed, incomparable long haul speculation vehicles. Generally, they have appeared to produce development in long haul portfolios. Blue-chip stocks will be supplies of notable and entrenched organizations. Blue chip stocks have a few attributes that advantage financial specialists over the long haul. Most of financial specialists realize blue-chip stocks have stable profit. During a monetary downturn, speculators may go to these places of refuge in view of their protected nature. Blue-chip organizations offer security during times of eased back development because of their smart supervisory crews and capacity to produce stable benefits.

Blue Chip Company is extremely solid monetarily, with a strong reputation of delivering profit and just a moderate measure of obligation. It likewise has a solid name in its industry with prevailing items or administrations. Commonly, these organizations are enormous enterprises that have been doing business for a long time and are viewed as entirely steady.

Blue chip organizations in India are viewed as most stables stocks for contributing. At the point when one puts resources into blue chip stocks, it is viewed as best for long haul returns. Basics of blue chip organizations are solid. Blue chip stock organizations can make benefits even in awful occasions. Consequently master financial specialists focus on these stocks. Blue chip stocks likewise show great profit instalment history.

OBJECTIVES OF THE STUDY

- To dissect the stock execution of top five Indian Blue chip organizations as far as dangers and returns
- To study the quality of top five blue chips organization's stocks.
- To distinguish the hazard and returns of top five Indian blue chip organization

NEED FOR THE STUDY

- The blue chip stocks have gotten criticalness starting late of their principal work in the economy
- To distinguish financial specialist target imperatives and execution, which help figure the venture approach
- The Study of the blue chip stocks help in moving danger from chance unfavourable individuals to hazard arranged individuals.
- The study helps in disclosure of hazard and returns of different chose organizations.
- The study helps in revelation of things to come just as the present costs
- Investment in blue chip stocks increase the save assets and enthusiasm for since a long time prior run

LIMITATIONS OF THE STUDY

- The study is based extraordinarily on top five blue chip associations.
- The restricted apparatuses have been utilized right now
- The information of 3 months and examination is done on the regular schedule
- The study has just taken a stab at assessment of dangers and returns of market just in Indian setting
- The investigation isn't taken all around
- The investigation of choices is constrained to hazard and returns.

RESEARCH METHODOLOGY

The essential wellsprings of data for the present examination used are assistant in nature. Helper data contain information that starting at now exists in some places and have been accumulated for express explanation in the examination. Discretionary data has been gotten from the official locales of the picked blue chip associations and stock exchange destinations.

Secondary data:

Discretionary data are as finished things as they have quite recently been managed accurately in some structure or other.

The discretionary data generally involves data and information assembled from records, association locales and moreover discussion with the organization of the affiliation. Helper data is moreover assembled from Journals, magazines and books.

Sources of secondary data:

- Books, magazines, newspapers.
- Various publications of state and the local government

Sample: AVERAGE RETURNS= (Open price-previous closing)/open price*100

VARIANCE=$\sum \frac{D^2}{N-1}$

RISK =$\sqrt{variance}$

Coefficient of variation= returns/risk

Different randomly selected companies

  They are:

1. HDFC LIMITED
2. INFOSYS
3. EICHER MOTORS LIMITED
4. SUN PHARMACUETICALS INDUSTIES LIMITED
5. TATA CONSULTANCY SERVICES

REVIEW OF LITERATURE

Narayanan B, Karthikeyan G, Arivazhagan M 2013

Blue chip stock is the heap of a settled in association having stable salary and no wide liabilities. The term gets from betting club, where blue chips speak to counters of the most important worth. Many blue chip stocks convey standard benefits, in any occasion, when business is faring more deplorable than anticipated. They are regarded by examiners searching for relative prosperity and strong ness anyway costs per share are ordinarily high. Usually, such stocks are believed to offer strong returns, low yield, and for the most part protected. The data has been taken from the narratives of NSE. The significant assessment is used to choose the differences in the offer worth improvements in the picked blue chip associations recorded in NSE and to propose the passing endeavour opportunities to money related pros in these association

WILLIAM F SHARPE(2011) :

Tried to present as an incredible impact for the estimation and gauge of shared hold execution a part of the outcomes recently work in capital theory and the direct of money related trade costs. He had demonstrated that introduction can be surveyed with an essential yet speculatively huge measure that contemplates both typical return and risk. This measure hinders the "divulgence" of differences in execution due solely to contrasts in objectives (e.g., the high ordinary returns usually got by saves that purposely hold hazardous portfolios). In any case, in any occasion, when execution is evaluated right presently are contrasts among holds; and such complexities don't emit an impression of being thoroughly concise

DATA ANALYSIS AND INTERPRETATION

1.**Explaination Showing Risks And Returns Of Hdfc**

AVERAGE RETURNS=-0.0422

VARIANCE=$\sum \frac{D^2}{N-1}$

0.300463

RISK =$\sqrt{variance}$

0.54814

Coefficient of variation= returns/risk

0.0769

INTERPRETATION:

From the above table it represents the risk and returns of HDFC co. for a period of 3 months

The company has average returns of -0.0422 and variance of 0.300463 And risk of 0.54814

Company bought a share of 1.0329 on 19th feb 2020 and sold the share of -1.9587 on

28th feb 2020

In this way the organization is in high unpredictable in nature

2.Explaination Showing Risks And Returns Of Infosys

Average Returns = 0.0973

$$VARIANCE = \sum \frac{D^2}{N-1}$$

0.5926

$$RISK = \sqrt{variance}$$

0.7698

Coefficient of variation= returns/risk

0.1263

INTERPRETATION:

From the above table it speaks to the hazard and returns of INFOSYS co. for a time of

3 months

The company has average returns of 0.0973 and variance of 0.5926 and risk of 0.7698

Company bought a share of 2.8750 on 13th jan 2020 and sold the share of -3.7133 on

28th feb 2020

Therefore the company is in high volatile in nature.

3.Explaination Showing Risks And Returns Of Eicher Motors

Average Returns = 0.1420

$$\text{VARIANCE} = \sum \frac{D^2}{N-1}$$

0.4510

$$\text{RISK} = \sqrt{variance}$$

0.6715

Coefficient of variation= returns/risk

  0.2114

INTERPRETAION:

From the above table it speaks to the hazard and returns of EICHER MOTORS for a time of
3 months
The company has average returns of 0.1420 and variance of 0.4510 and risk of 0.6715
Company bought a share of 1.7087 on 09th jan 2020 and sold the share of 2.6190

On 03th feb2020

Therefore the company is highly unstable in nature

4.Explaination Showing Risks And Returns Of Sun Pharmaceuticals Industries Limited

Average Returns = 0.0252

$$\text{VARIANCE} = \sum \frac{D^2}{N-1}$$

0.3658

RISK $=\sqrt{variance}$

0.6048

Coefficient of variation= returns/risk

0.0416

INTERPRETAION:

From the above table it speaks to the hazard and returns of SUN PHARMACEUTICALS INDUSTRIES LIMITED for a time of 3 months

The company has average returns of 0.0252 and variance of 0.3658 and risk of 0.6048

Company bought a share of   1.1307 on 25th Feb 2020 and sold the share of -2.3311 on 28[th]feb2020

Therefore the company is highly unstable in nature

5.Explaination Showing Risks And Returns Of Tata Consultancy Services

Average Returns = 0.1223

VARIANCE=$\sum \frac{D^2}{N-1}$

  0.1865

RISK $=\sqrt{}$variance

0.4318

Coefficient of variation= returns/risk

0.6557

INTERPRETAION:

From the above table it speaks to the hazard and returns of TATA CONSULTANCY

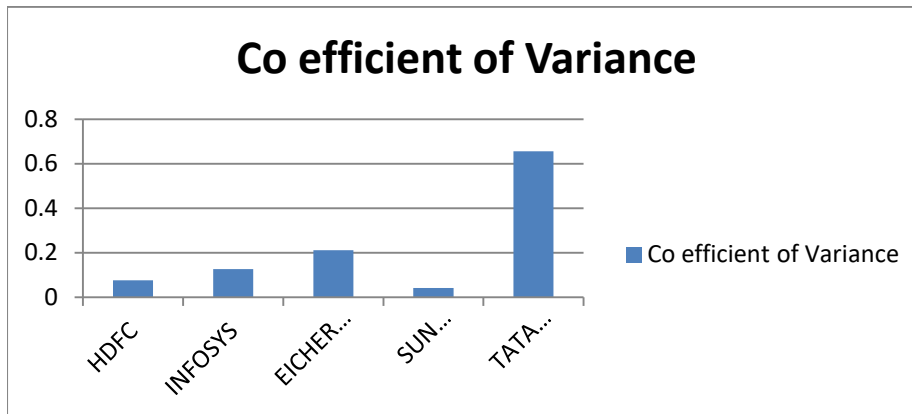SERVICES for a period of 3 months

The company has average returns of 0.1223 and variance of 0.1865 and risk of 0.4318

Company bought a share of 1.2447 on 4th Feb 2020 and sold the share of -1.8133 on 8thfeb 2020

Therefore the company is highly unstable in nature.

Below Are The Charts Showing The Risks , Returns And Coefficient Of Variance
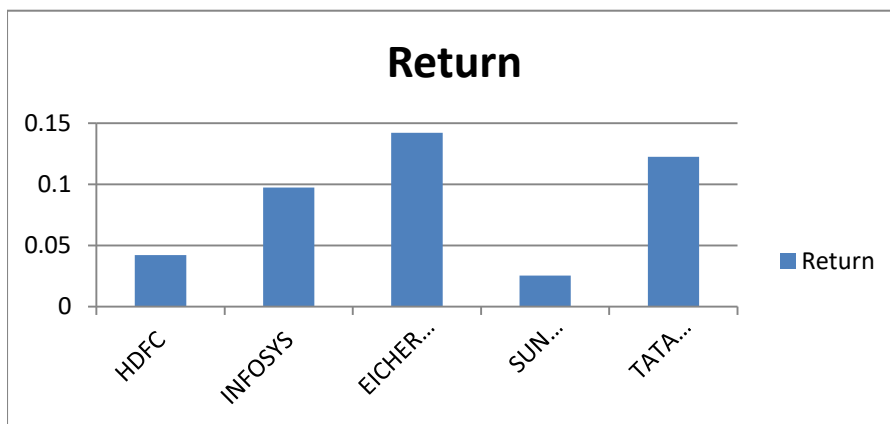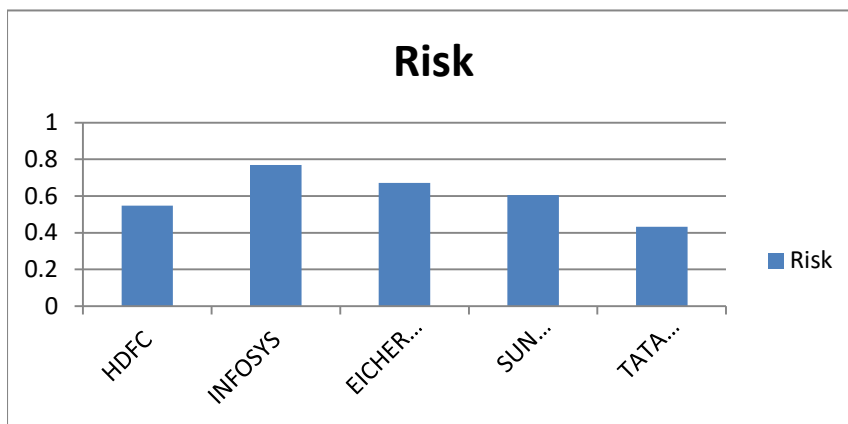
INTERPRETATION: The above diagram shows the Risk, Returns and coefficient of fluctuation of chosen blue chip organizations

FINDINGS

- HDFC LIMITED has normal returns of - 0.0422 and change of 0.300463 and danger of 0.54814

- INFOSYS has average returns of 0.0973 and variance of 0.5926 and risk of 0.7698

- EICHER MOTORS has average returns of 0.1420 and variance of 0.4510 and risk of 0.6715

- SUN PHARMACUETICALS INDUSTRIES LIMITED has average returns of 0.0252 and variance of 0.3658 and risk of 0.6048

- TATA CONSULTANCY SERVICES has average returns of 0.1223 and variance of 0.1865 and risk of 0.4318

- Therefore from the above discoveries EICHER MOTOTS has the most noteworthy pace of profits in this manner it is proposed to put resources into Eicher Motors and afterward the TATA CONSULTANCY SERVICES give the following best pace of profits.

CONCLUSION

 After the assessment, it was surmised that Blue chip associations have high market capitalization, strong livelihoods, steady benefit portions, security of benefit, long history of pay, high obtaining per share, and are less precarious in nature when stood out from non-blue chip associations. Blue chip associations are considered for safe hypothesis and fitting for moderate class of examiners. From the picked blue chip stocks EICHER MOTORS has kept up its first situation among other blue chip associations as time goes on to the extent Returns.

TATA CONSULTANCY SERVICES has situated the accompanying best with respect to returns. Henceforth the money related pros are proposed to place assets into Eicher Motors and Tata Consultancy Services

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