

SUMMER INTERNSHIP PROJECT

**“A STUDY ON STOCK MARKET TRADING & CLIENT PROFILING
AT CA SACHINDRA SHARMA & ASSOCIATES”**

Submitted to:

DMSR

**G.S COLLEGE OF COMMERCE AND ECONOMICS, NAGPUR
(AN AUTONOMOUS INSITUTUION)**

AFFILIATED TO:

RASHTRASANT TUKODOJI MAHARAJ NAGPUR UNIVERSITY, NAGPUR

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CA SACHINDRA SHARMA

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NAAC ACCREDITED “A” GRADE INSTITUTION**



ACADEMIC YEAR 2022-23



CERTIFICATE

This is to certify that the investigation described in this report titled “**A STUDY ON STOCK MARKET TRADING & CLIENT PROFILING AT CA SACHINDRA SHARMA & ASSOCIATES**” has been carried out by **Miss. GARGI SHARMA** during the summer internship project. The study was done in the organization, **CA SACHINDRA SHARMA**, in partial fulfilment of the requirement for the degree of Master of Business Administration of G.S. College of Commerce & Economics, Nagpur Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur. This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for this work are duly acknowledged.

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TO WHOM IT MAY CONCERN

THIS IS TO CERTIFY THAT MISS GARGI J. SHARMA, A STUDENT OF MBA (MASTER OF BUSINESS ADMINISTRATION), (MAJORING FINANCE-SUMMER SEMESTER), G.S COLLEGE OF COMMERCE AND ECONOMICS, HAS TAKEN A TRAINING IN OUR FIRM FROM 17TH SEPTEMBER 2022 TO 1ST NOVEMBER 2022. SHE HAS WORKED FULL TIME UNDER OUR FIRM FOR A PERIOD OF 45 DAYS.

DURING HER TENURE, SHE HAS WORKED SINCERELY AND HONESTLY. HER WORK AND BEHAVIOR IN OUR ORGANISATION IS GOOD.

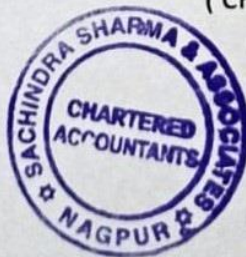
WE WISH FOR HER GREAT FUTURE.

FOR SACHINDRA SHARMA & ASSOCIATES

(CHARTERED ACCOUNTANT)

PLACE: NAGPUR

DATE: - 15/11/2022



(CA SACHINDRA SHARMA)

M. NO : - 119028

ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project at “**CA SACHINDRA SHARMA & ASSOCIATES**” and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to **CA SACHINDRA SHARMA** for guiding me throughout this project and continuously encouraging me. It would not have been possible to complete this project without his support.

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Finally, I am grateful to my family and friends for their unending support.

GARGI SHARMA

INDEX

SR. NO	PARTICULARS	PAGE NO.
1.	INTRODUCTION	1
2.	COMPANY PROFILE	4
3.	TERMINOLOGIES	5
4.	OBJECTIVES OF STUDY	8
5.	SCOPE OF STUDY	10
6.	NEED TO STUDY	13
7.	CONTRIBUTION DURING SIP	15
8.	LIMITATIONS	17
9.	RESEARCH METHODOLOGY	19
10.	FINDINGS	21
11.	CONCLUSION	25
12.	BIBLIOGRAPHY	28

INTRODUCTION

STOCK MARKET

ICONS



STOCK MARKET



ANNUAL REPORT



BROKER



FINANCE



GRAPH



MARKET SHARE



BEAR MARKET



BULL MARKET



STOCK PRICES



STOCK ANALYTICS

The Indian Stock Market is one of the oldest in Asia.

The term stock market refers to several exchanges in which shares of publicly held companies are bought and sold. Both “stock market” and “stock exchange” are often used interchangeably.

The two major stock exchanges in India are NATIONAL STOCK EXCHANGE (NSE) and BOMBAY STOCK EXCHANGE (BSE).

The securities market provides an institutional structure that enables a more efficient flow of capital in the economy. The term “securities” include (a) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities

(b) units or any other instrument issued to the investor under any mutual fund scheme

(c) Government securities

(d) any certificate or instrument

The Stock market is divided into Primary market and Secondary market.

The primary market refers to the market where equity or debt funds are raised by companies from 'outside' investors through an offer of securities. It is also called the "new issue market"

The secondary market is where securities once issued are bought and sold between investors. Transactions in the secondary market do not result in additional capital to the issuer as funds are only exchanged between investors.

The overall responsibility of development, regulation, and supervision of the stock market rests with the [Securities and Exchange Board of India](#) (SEBI), which was formed in 1992 as an independent authority. Since then, SEBI has consistently tried to lay down market rules in line with the best market practices. It enjoys vast powers of imposing penalties on market participants, in case of a breach

The National stock Exchange (NSE) Is India's leading stock exchange. The exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity.

The Bombay Stock Exchange is the first exchange in the country to obtain permanent recognition from the Government of India under the Securities Contracts (Regulation) Act, 1956.

The two prominent Indian market indexes are [Sensex](#) and Nifty. Sensex is the oldest [market index](#) for equities; it includes shares of 30 firms listed on the BSE.

The BSE Sensex represents the Bombay stock exchange, and the Nifty 50 represents the National Stock exchange. Apart from these two, there is the Nifty Bank Index (Bank Nifty), which is quite popular. Bank Nifty represents the banking sector as a whole.

Nifty 50 consists of the most frequently traded stocks on the National Stock Exchange

RISK AND RETURNS ON INVESTMENT

Risk or variance or volatility is like a coin with two faces. Any price movement below our entry price is called risk while at the same time, the same price movement above our entry price is called return.

[Emerging markets](#) like India are fast becoming engines for future growth. Currently, only a very low percentage of the household savings of Indians are invested in the domestic stock market, but with [gross domestic product](#) (GDP) growing at 7% to 8% annually for the last few years, though in the 6% range for 2018 and 2019, and a stable financial market, we might see more money joining the race. Maybe it's the right time for outside investors to seriously think about joining the India bandwagon.

COMPANY PROFILE

Sachindra Sharma & Associates, Chartered Accountants, is one of the leading providers of financial and business advisory, internal audit, statutory audit, corporate governance, & international taxation and regulatory services.

They are respondent to clients' complex business challenges along with a broad range of services.

The Firm has been set up by a group of energetic, open minded, highly skilled and motivated professionals who have gained experience from top consulting companies and are extensively experienced in their chosen fields has providing a wide array of Accounting, Auditing, Assurance, Risk, Taxation, & Business advisory services to various clients & their stake holders.

To withstand the ever-increasing competition faced by corporate in the vibrant global economy coupled with increasing responsibilities on human resources, we aim at enhancing the economic well-being of an organization by providing timely services which add significant value addition to the client's business.

TERMINOLOGIES

Basic Terminologies of Stock Market

- **Beta:** It is a measurement of relationship between stock price of any particular stock and the movement of whole market.
- **Bid:** It is the highest price a buyer is willing to pay for a stock. It is opposite of ask/offer.
- **Blue Chip Stock:** Stocks of large, well-established and financially-sound companies which hold a record of consistently increasing rate of paying the dividends over decades to its stock holders. Blue chip stocks typically have a market capitalization in thousands of crores.
- **Broker/Brokerage Firm:** A registered securities firm are called broker/brokerage firm. Broker's acts as an advisor for purchase and sell of listed stocks, they do not own the securities at any point of the time. But they charge a commission for their service.
- **Bull Market:** A market in which the stock price is increasing consistently.
- **Commodities:** Product used for commerce that are traded on a separate, authorized commodities platform. Commodities include agricultural products and natural resources.
- **Convertible Securities:** A security (bonds, debentures, preferred stocks) by an issuer that can be converted into other securities of that issuer are known as convertible securities. The conversion usually occurs at the option of the holder, but it may occur at the option of the issuer.
- **Debentures:** A type of debt instrument that is not secured by physical assets or collateral. Debentures are backed only by the general creditworthiness and reputation of the issuer. A debenture is an unsecured form of investment.
- **Capitalization:** Also known as market cap, capitalization is the total market value of all a company's outstanding share.
- **Dividend:** Dividend" is one of the most basic terms for the stock market. It's simply a portion of a company's earnings paid out to its shareholders.
- **IPO:** An IPO refers to a previously private company that becomes public by selling stock shares on the stock market.
- **Index:** An index is a collection of top stocks in the stock market and is used as a way to measure the movement of the stock market. Two of the most popular indexes in the Indian stock market are Nifty 50 and Sensex. These two indexes track the top companies

on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) respectively.

- **Bullish Market:** The stock market index is going up during a particular period, it is referred to as a bull market
- **Bear Market:** The stock market index goes down during a particular period, it is referred to as a bear mark
- **Face value of a stock:** The face value (FV) or par value indicates the nominal value of a share
- **Market Segment:** A market segment is a division within which a certain type of financial instrument is traded
- **Technical Analysis:** Technical analysis is a research technique to identify trading opportunities in the market based on market participants actions
- **Fundamental Analysis:** Fundamental analysis is used to make long term investments, using fundamental analysis one can distinguish an investment grade company from a junk company.
- **Mid Cap:** Mid cap refers to those level of companies which enjoy a good level of liquidity
- **Small Cap:** Small cap stocks are those stocks that are smaller in size and therefore do not enjoy much liquidity

OBJECTIVES OF STUDY

1. To understand the capital market of India and the basic terminology of Stock Market.
2. To get knowledge of the Regulator of stock market i.e., SEBI (THE SECURITIES AND EXCHANGE BOARD OF INDIA).
3. To understand the relationship between companies and investors and how the common platform of exchange works.
4. To Understand the intermediaries and participants of Stock Market.
5. To understand the IPO Market.
6. To know the risks and returns of the Stock Market.
7. To understand the effect of Stock market fluctuations to the Indian Economy.

SCOPE OF STUDY

Scope of the Stock Market

Making money is everyone's dream but people often get scared by the risks. Stock Market is one such field where a person having its knowledge is prepared to take a calculated risk which in return gives him a profit multiplied by manifolds.

Investing in many different stocks can help build your wealth by leveraging growth in different sectors of the economy, resulting in a profit even if some of your individual stocks lose value.

- **Dividend Income**

Some stocks provide income in the form of a dividend. While not all stocks offer dividends, those that do deliver annual payments to investors. These payments arrive even if the stock has lost value and represents income on top of any profits that come from eventually selling the stock. Dividend income can help fund a retirement or pay for even more investing as you grow your investment portfolio over time.

- **Gain in Investment**

One of the primary benefits of investing in the stock market is the chance to grow your money. Over time, the stock market tends to rise in value, though the prices of individual stocks rise and fall daily. Investments in stable companies that are able to grow tend to make profits for investors. Likewise, investing in many different stocks will help build your wealth by leveraging growth in different sectors of the economy, resulting in a profit even if some of your individual stocks lose value.

- **Diversification**

For investors who put money into different types of investment products, a stock market investment has the benefit of providing diversification. Stock market investments change value independently of other types of investments, such as bonds and real estate. Holding stock can help you weather losses to other investment products. The stock also adds risk to a portfolio, as well as the potential for large, rapid gains, helping investors avoid risk-averse or overly conservative investment strategies.

- **Ownership**

Buying shares of stock means taking on an ownership stake in the company you purchase stock in. This means that investing in the stock market also brings benefits that are part of being one of the business owners. Shareholders vote on corporate board members and certain business decisions. They also receive annual reports to learn more about the company. Owning stock in the company you work for can be a way to express loyalty and tie your personal finances to the success of the business as a whole.

Stock Market thus can help you kick start your Career if you are a fresher or experienced in any domain. Choosing the right strategy and optimum use of your potential is the need to excel in the field.

NEED OF SIP

1. To understand proper saving of funds and investing them in Stock market in the best suited way.
2. Understanding of financial securities to invest in and the risk and returns attached with them.
3. To see how funds are floated in the market by various investors that provides stability and liquidity in economy.
4. To understand the risk of decline in value of security's future cash flows i.e., inflation risk.
5. To understand the positive and negative returns of the investment (securities).
6. To analyse, interpret and ascertain company performances.

CONTRIBUTION DURING SIP

- While applying for the internship, I have sent my application to college and received an appointment letter asking me to complete my internship at CA SACHINDRA SHARMA & ASSOCIATES.
- I use to start my internship at sharp 9 a.m.

1st and 2nd week –

- Studied the Indian financial market and the structure of financial market in India.
 - a) Bombay Stock Exchange b) National Stock Exchange
- Participants and Regulator of financial markets.
- Participants include individuals and corporations from diverse backgrounds
- Domestic Retail Participants
- NRI'S
- Asset management companies
- Studied the rules and regulations of the Securities and Exchange Board of India (SEBI), Market Intermediaries, Depository and Depository Participants.

3rd and 4th week: -

- Learned the concept of Angel Investors and what is company valuation
- Role of Venture Capitalist
- Studied The Initial Public offer (IPO) process
- Studied the Stock market Index
- Identified the concept of Bonus issue , Right issue and Buyback of Shares
- Impact of Monetary Policy , Inflation , finance on the Market

5th and 6th week: -

- Studied alternative investment options
- Understanding Technical and fundamental Analysis
- Study of stock charts and types
- Measuring risks and risk types (business risk, liquidity risk, inflation risk)
- understanding investment return concepts
- concept of time value of money

LIMITATIONS OF THE STUDY

Limitations are the limiting line that restrict the work in some way or other.

1) **Time constraint:**

Since the duration of internship was for only 45 days, exploration towards learning new things was less, this resulted in moderate level of challenging work and a moderate level of knowledge of that particular topic.

2) **Data collection Method:**

The data collected was totally through the secondary sources hence there were some limitations in data findings and detailing. Much dependency was on the mentor and on other sources. Most of the data was restricted to internet and published data because of non-availability of primary data.

3) **Accuracy:**

The facts and findings of the data cannot be accepted as accurate to some extent as firstly; secondary data was collected. Secondly, for doing the descriptive research time needed to be more.

4) **Influence of Financial Institutions:**

The equity markets are dominated by large players such as mutual funds, pension funds and insurance companies. Any purchase or sale by them significantly influences the market prices as they buy and sell in bulk quantities. The share prices, therefore, do not reflect the fundamentals.

5) **Inadequate Knowledge:**

The investors' ignorance of their investments and the firms they invest in is one of the obvious drawbacks. The majority of shareholders are unable to analyze and make use of this information to their advantage, even though the SEBI & stock exchanges compel issuer businesses to disclose pertinent knowledge for the benefit of investors.

RESEARCH METHODOLOGY

DATA COLLECTION

Data Collection is one of the most important functions used to later analyse results and determine the best course of action for an objective. Without concrete statistics and evidence about a certain topic from valid and reliable sources, results cannot be verified and ideas cannot be expanded upon.

PRIMARY DATA COLLECTION

Primary data provides marketers, researchers, analysts, and many other professionals with the resources needed to conduct and meet research objectives. The use of primary data is best suited for identifying and understanding the research problem being analysed, and it is generally the most recent or most accurate data that a researcher can obtain.

SECONDARY DATA COLLECTON

Secondary research is research that has been assembled, gathered, organized, and published previously by others. Reports and studies from government agencies, trade organizations, and other companies in your industry are included.

SECONDARY DATA:

- All the learning's during the internship was gained through the Mentor and working staff specialized in the field of stock market.
- Reference of various books, articles, newspaper related to the topic were taken into account for a detailed study
- Through internet additional data related to stock market was collected.
- Various websites that are wholly dedicated towards stock market basics were looked into for gaining more knowledge.
- Newspaper articles, magazines, economic and financial articles were also considered

FINDINGS OF THE STUDY

Stock market is the physically existing institutionalised set up where instruments of security stock market like shares, debentures, bonds, securities are traded. Stock market makes a floor available to the buyers and sellers of stocks and liquidity comes to the stocks. At this scenario the importance of investing in stock market is getting higher. The number of investors and the number of stock market out of which a majority are online markets, are increasing day to day.

- Nifty has less risk and higher liquidity than Sensex. Nifty suffer lower market impact cost than Sensex.
- Despite a population of over 1.2 billion, there exist only 20 million active trading accounts in India.
- 80% of the stockholders invest/trade in stock market for higher return rather than safety and liquidity.
- 63% of the stockholders prefer to have long term trading as it involves less risk.
- All the stockholders prefer to have online mode of trading. As the advancement of technology have made stock market into an online mode of trading.
- The investment decision of investors is influenced by their own decision and through friends and relatives.
- Maximum investors want their investments grow at fast rate.
- Investors consider factors like return, tax benefits, capital appreciation, etc while doing investing.
- The most important factor is return which influences the decision making of investors.

SUGGESTIONS

- More team of staff dedicated towards stock market dealings would benefit more learning and more practical work.
- More Practical knowledge of share Trading would be Beneficial in understanding the share market in detail.
- Goal setting and investing through reliable intermediaries is very crucial before making investments in stock market.
- Understanding of risk tolerance in stock market is important.
- Diversifications of investments in stock market is also important.

CONCLUSION

- Capital market provides support to the system of capitalism of the country, they include the stock market and bond market. The money market and Capital market together comprise the financial market.
- The Structure of capital market consist of Primary and Secondary market, the capital market instruments (Equities, debt securities) and the Regulator of capital market – SEBI
- SEBI protects the interest of investors in securities and promotes development of securities market. It provides financial education to investors, prevents malpractices.
- The relationship between company and investors is in a form of mutualism, investors invest their savings and the company the capital to fund its operations.
- Market intermediaries are people or entities apart from buyer and seller (agents, merchant bankers, underwriters, stock brokers, Depository, share transfer agents)
- Initial public offering (IPO) is the process through which company raises fund from the general public, the raised funds are used of any valid reason for – CAPEX, rewarding shareholders, etc.
- In investment risk is the possibility of what is actually earned as return could be different from what is expected to be earned. The risk could be inflation risk, default or credit risk, business risk, etc.
- The returns in stock market can be positive and negative, these returns include Dividends, interest payment and changes in the prices of stock.
- The fluctuations in stock market impact Gross Domestic Product (GDP) either positively or negatively, affects business, consumers, investors, influences pension fund, etc.



PURCHASE / BUYING OF SHARES



SELLING OF SHARES

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