

To Detailed Study on Role of Financial Markets in The Indian Economy

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Abstract: *After the new economic policy was introduced in 1991, the Indian financial market saw a financial deepening. The growth of the financial market motivates us to examine how the stock market and the credit market contributed to this growth. Financial markets include, among others, the stock market, bond market, currency market, and derivatives market. A financial market is any location where trading in securities occurs.*

The many institutions and methods that allow investors to buy and sell financial instruments including stocks, bonds, commodities, and derivatives are referred to as financial markets. These marketplaces give investors a place to manage their financial portfolios and transfer money between asset classes. Financial markets connect buyers and sellers, which helps to set the price of financial instruments. Due to the chance for fair price discovery provided by the fundamental forces of supply and demand, each asset will have a fair and transparent price.

Financial markets give investors a place to buy and sell financial assets like stocks, bonds, and derivatives, facilitating efficient capital allocation. These enable companies to raise money for growth and expansion and are a crucial source of cash for enterprises.

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