

# Risk Management in Stock Market

Shravani Ashish Dhumal<sup>1</sup> and Dr. Basukinath Jha<sup>2</sup>

Research Scholar<sup>1</sup> and Assistant Professor<sup>2</sup>

The Byramjee Jeejeebhoy College of Commerce, Mumbai, Maharashtra, India

**Abstract:** *This research paper delves into the critical aspects of risk management within the stock market, aiming to provide insights and strategies to enhance risk management practices for investors and market participants. Through a comprehensive review of existing literature, various dimensions of risk in stock market investments are explored, including market risk, credit risk, liquidity risk, operational risk, and systemic risk. The paper analyzes different methodologies and tools utilized in risk assessment and mitigation, such as Value-at-Risk (VaR), stress testing, derivatives, portfolio diversification, and hedging techniques. Furthermore, it examines the role of regulatory frameworks and institutional mechanisms in managing risk within the stock market ecosystem. Drawing upon empirical evidence and case studies, the paper highlights best practices and emerging trends in risk management, along with potential challenges and opportunities for future research and implementation.*

*The main objective of present study is to present review of literature related to Indian Stock Market to study the Indian Stock Market in depth. The study would facilitate the reader to know the past, current and future trend, or prospects of Indian Stock market. This study would provide guidelines to investor to maximise profit with minimize risks. High degree of volatility in the recent times in the Indian market has led to more development in the future.*

**Keywords:** Securities, Derivatives, NSE, BSE, Public Issue, Maximise Profit, Minimize Risk