

Risk and Return Analysis of Tourism Companies: Evidence from National Stock Exchange Index in India

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Abstract: Risk and Return of securities are major concern for every investor whether they invest domestically or internationally. It is said that “Higher the Risk, Higher the Return” and visa-versa. So risk and return will move in tandem and the investors have to expose trade off all the time. The present study examines the risk and return pattern of Tourism companies listed on NSE Index in India. In order to fulfill the objective, the study used simple daily and yearly return formula and standard deviation as risk measurement techniques. Further return comparison has been done by applying ANOVA but data are not found normally distributed so the study applied a non parametric Kruskal Wallis Test. The necessary stock price data for all selected companies have been sourced from NSE website. The study conducted on past data starting from 1st January 2011 to 30th June, 2017. The study concludes that the risk return profile of tourism companies is volatile and showing greater amount of variations in the return as well as in the standard deviation. The research is useful to the investors, economist and tourism companies for further validation and comparison with other allied industries like transport, tours, hotels, travelling etc.

Keywords: Return, Standard Deviation, Kruskal Wallis Test, Normal Distribution