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An Overview on Indian Financial Markets

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Abstract: *A financial market is a word that describes a marketplace where bonds, equity, securities, currencies are traded. Few financial markets do a security business of trillions of dollars daily, and some are small-scale with less activity. These are markets where businesses grow their cash, companies decrease risks, and investors make more cash.*
Financial Markets include any place or system that provides buyers and sellers the means to trade financial instruments, including bonds, equities, the various international currencies, and derivatives. Financial markets facilitate the interaction between those who need capital with those who have capital to invest.
In addition to making it possible to raise capital, financial markets allow participants to transfer risk (generally through derivatives) and promote commerce.

Keywords: Financial, services, investment, banking

I. INTRODUCTION

A financial market is a word that describes a marketplace where bonds, equity, securities, currencies are traded. Few financial markets do a security business of trillions of dollars daily, and some are small-scale with less activity. These are markets where businesses grow their cash, companies decrease risks, and investors make more cash.
Meaning of Financial Markets
A Financial Market is referred to space, where selling and buying of financial assets and securities take place. It allocates limited resources in the nation's economy. It serves as an agent between the investors and collector by mobilizing capital between them.
In a financial market, the stock market allows investors to purchase and trade publicly companies share. The issue of new stocks is first offered in the primary stock market, and stock securities trading happens in the secondary market.
The term 'financial markets' refers to those marketplaces where financial assets are bought and sold. Financial assets include instruments like stocks and bonds. Broadly speaking, the financial markets include various smaller marketplaces like the stock market, the bond
market, the forex market, the commodities market and the derivatives market.
Some financial markets are regulated, while some may not be. And as with any marketplace, the prices of the financial assets traded in financial markets also keep fluctuating based on a number of factors. Interested traders and investors can take advantage of these price
movements to earn returns on their investments.
The first modern stock trading market was created in Amsterdam when the Dutch East India Company was the first publicly traded company. To raise capital, the company decided to sell stock and pay dividends of the shares to investors. Then in 1611, the Amsterdam stock exchange was created.
What is the origin of the financial markets?
Financial markets at the beginning of banking were built on a debt basis, and they dealt with lending and borrowing money and trading the loans they gave out. The first bank, in the early 14th century, was the Bank of State George in Italy, founded in 1407.
The development of the stock market in India began with the creation of the Bombay Stock Exchange in 1875 and the Calcutta Stock Exchange in 1863. Review of Literature
The financial sector of Sub-Saharan African countries is made up of several formal and informal arrangements and institutional forms.

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Both formal and informal arrangements may be important sources of financial services in any given country. Furthermore, understanding the factors that determine the success of informal finance may provide insights into ways to improve formal finance. For these two reasons, the literature search covered all types of financial arrangements and institutional form.s, whether spontaneous or specifically designed and assisted. The financial sector will be defined in the next section as consisting of formal. semi-formal, and informal systems.

Participants in the Financial System

The participants or clients of any financial system include a wide variety of individuals, households, firms, businesses and organizations. Many studies do not specifically identify or describe the participants of the financial institution or arrangement being studied. It may be possible to learn, for example, that a credit union in Cameroon has many rural members, but there may be little information on the types of economic activity (enterprise or business) that may benefit from the financial services provided by the credit union. Therefore, the literature review included all materials that might have relevance, directly or indirectly, to rural and urban agribusinesses.

Agribusiness Defined

The term agribusiness has been defined in several ways. We chose to adopt a broad definition in which agribusinesses engage in a wide variety of agriculturally related activities. Some involve on-farm production activities we typically think of as farming. Others involve a complex set of activities undertaken on or off the farm. This includes the typical backward linkafies of input supply and distribution for rural and urban enterprises. They also include a variety of forward link~s that involve transporting, storing, transforming products produced on the farm and/ or related to agricultural products. Agribusinesses range from small backyard processing activities to large scale multilateral companies. Some employ the most traditional technology, while others are tied into international markets and employ modem international technology.

The most relevant finance literature for this task is found in the U.S. Because many other bilateral donors and foreign researchers have been involved in finance, the literature search included not only the U.S., but also England, France, Germany, Italy and Portugal and donor archives such as the World Bank and FAO. Computer data bases were consulted, library collections were searched, and contacts were made with specific organizations that had access to relevant literature. The search included academic literature, consultant reports, NGO/PVO publications, and design and evaluation reports. Several publications identified in other annotated bibliographies were obtained and reviewed. A bibliography prepared by Mooney (1985) reviewed 220 AlD. agribusiness projects in Africa from 1970-1986. Several of these projects had credit components. The annotated nbibliography by de Treville (1986) on contract farming in Africa also included some interesting publications dealing with finance. The WID bibliography by Townsend (1988) produced some relevant gender related material not found elsewhere.

1.1 Objectives of the Research

1. To study the concept of financial markets.
2. To understand the system of financial markets.
3. To obtain information about participants in the financial markets.

II. RESEARCH METHODOLOGY

The present study is exploratory in nature and uses technique of secondary research for the same, thus the study is primarily based on secondary data collected from various sources viz. Books, Journal, internet, etc.

Approaches to Financial Market Development: Three general observations should be made about the literature reviewed before discussing individual approaches to the development of financial systems. Much of the literature is case study oriented with few cross-country studies or syntheses that systematic-ally review the experiences of several countries. Therefore, it is necessary to view with caution the recommendations often found in studies which suggest that countries should introduce some reform or adopt some innovation because it appears to have worked in a small application in one country. Furthermore, the lack of systematic comparative analyses and thorough review of lessons learned is one reason that similar problems emerge across countries.

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Second, the literature clearly shows that most governments and donors have pursued a supply-leading approach to finance which emphasized increasing the supply and reducing the cost of loans to specific sectors (i.e., agriculture, small farmers, etc.). Institutional
strengthening has also been pursued to support this strategy. The supply-leading approach has been shown to have several fundamental weaknesses. It ignored savings mobilization and created a dependency syndrome in which the lenders become dependent on cheap government and donor funds. It created rent seeking opportunities in which nontargeted borrowers used political influence to gain access to the cheap funds. Financial institutions were undermined because they were often not allowed sufficient margins to cover their costs and risks. Finally, credit was treated as an input in production so it's value as a fungible resource was ignored. The reforms that have been undertaken in many Sub-Saharan African countries in the past few years have reduced or eliminated many of these problems.

The third observation is that, until recently, most governments and donors have shied away from using the private sector to provide financial services to the agribusiness sector. At best, cooperatives are created and/ or are used to channel loans to farmers and vi
Agribusinesses .But few programs, for example, try to stimulate traders or trading networks to lend to priority clientele groups. This results in a heavy bias towards state involvement with
its several problems of accountability and viability.

III. FINDINGS

The term market research refers to the process of evaluating the viability of a new service or product through research conducted directly with potential customers. It allows a company to define its target market and get opinions and other feedback from consumers about their interest in a product or service.

IV. SUGGESTIONS

Some of the methods to conduct secondary market research include: Industry Reports – Industry reports identify any opportunities or risks that the industry might face and present scenarios from the past that can help financial advisors deal with threats in a better way.

V. CONCLUSIONS

Financial markets have particular characteristics that make them unique. They are considered to have Cardinal regulations on trading, clear pricing strategy and as well as costs and fees which are well defined. Financial markets are institutions and procedures that facilitate
transactions in all types of financial securities. If the financial markets did not exist, the wealth of the economy would decrease and
The rate of capital formation would not be as high. They exist in order to allocate the supply of savings from those economic units with a surplus to those with a deficit. The economy would suffer without a developed financial market system because the wealth of the economy would be less without them. Rate of capital formation would not be as high, followed by the slowed rate of stock contribution to (1) dwellings, (2) productive plant and equipment, (3)
inventory, and (4) consumer durables. Normal business activities would be funded slowly or not at all.

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