

Share Market

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Abstract: A stock represents a share in the ownership of a company, including a claim on the company's earnings and assets. As such, stockholders are partial owners of the company. Fractional shares of stock also represent ownership of a company, but at a size smaller than a full share of common stock.

Keywords: stock

I. INTRODUCTION

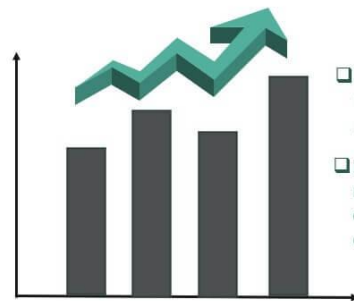
What is Share Market in simple words?

Share market is a collection of markets where stocks (pieces of ownership in a company) are bought and sold. It allows companies to raise money by selling shares to the public and allows investors to buy and sell shares in those companies.



The stock market balances the regulations which are necessary for a proper flow of the economy. It helps in facilitating the movement of money in one direction and the ownership via shares in another direction.

What is Share Market?



Advantages

- ❑ The stock market balances the regulations which are necessary for a proper flow of the economy.
- ❑ It helps in facilitating the movement of money in one direction and the ownership via shares in another direction.



To learn more and get OneNote, visit A stock market, equity market, or share market is the aggregation of buyers and sellers of stocks (also called shares), which represent ownership claims on businesses; these may include securities

listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowdfunding platforms. Investment is usually made with an investment strategy in mind.

OBJECTIVES

- To Spread Awareness about Share Market.
- To Inspire General People towards Investments.
- To Provide Opportunities.
- To Elaborate the structure of Share Market.
- To offer investors the opportunity to invest in companies they believe will do well and potentially earn a profit.
- To provide liquidity, meaning investors can buy and sell their stocks easily.
- To help determine the value of a company by reflecting the supply and demand of its stocks.

EXPLANATION

The Indian stock market is unique in several ways. It is one of the oldest stock market in Asia. Since its inception, the Indian stock market has been expanding rapidly to become an attractive investment avenue for investors across the globe. Here's what makes the Indian stock market distinctive:-

There are 17 Stock exchanges in India, of which 2 Exchanges are used for active trading-NSE and BSE.

BSE-Bombay Stock Exchange has the largest number of listed companies in the world.

FIS-Foreign Institutional investors hold me largest chunk of shares, while LC is the single largest domestic institutional investor.

NSE has 2nd largest volume in the derivatives market and 3rd in Stock Index Futures.

Only 2% of Indian household savings are directed to Equity Markets.



In terms of Market Capitalization in the world

BSE ranks 7th

NSE ranks 8th

70% of Trade Volume done by top 100 Brokers.

Algorithmic trading accounts for 25% of Derivatives Volume and 30% of Equity Trade Volume.

Nifty is weighted Average of 50 Top Stacks from 24 Sectors.

TYPES OF SHARES MARKET

Primary Share Markets

When a company registers itself for the first time at the stock exchange to raise funds through shares, it enters the primary market. This is called an Initial Public Offering (IPO), after which the company becomes publicly registered and its shares can be traded within market participants.

This is where companies issue new shares to the public for the first time through an Initial Public Offering (IPO). The primary market helps companies raise capital from investors

Secondary Market

Once a company's new securities have been sold in the primary market, they are then traded on the secondary stock market. Here, investors get the opportunity to buy and sell the shares among themselves at the prevailing market prices. Typically investors conduct these transactions through a broker or other such intermediary who can facilitate this process.

This is where existing shares are traded among investors without the involvement of the issuing company. The secondary market provides liquidity and price discovery for the shares

CATEGORIES

There are four categories of financial instruments that are traded on the stock exchange. These include:

Shares:

A share represents a unit of equity ownership in a company, and shareholders are entitled to any profits in the form of dividends and bear any losses the company may face. Many investors manage their shares through a Share trading app.

Bonds:

To undertake long term and profitable projects, a company requires substantial capital. One way to raise capital is to issue bonds to the public. These bonds represent a "loan" taken by the company. The bondholders become the creditors of the company and receive timely interest payments in the form of coupons. From the perspective of the bondholders, these bonds act as fixed income instruments, where they receive interest on their investment as well as their invested amount at the end of the prescribed period.

Mutual Funds:

Mutual funds are professionally managed funds that pool the money of numerous investors and invest the collective capital into various financial securities. You can find mutual funds for a variety of financial instruments like equity, debt, or hybrid funds, to name a few.

Each mutual fund scheme issues units that are of a certain value similar to a share. When you invest in such funds, you become a unit-holder in that mutual fund scheme. When instruments that are part of that mutual fund scheme earn revenue over time, the unit-holder receives that revenue reflected as the net asset value of the fund or in the form of dividend payouts.

Derivatives:

A derivative is a security that derives its value from an underlying security. This can have a wide variety such as shares, bonds, currency, commodities and more! The buyers and sellers of derivatives have opposing expectations of the price of an asset, and hence, enter into a "betting contract" with regards to its future price.

ADVANTAGES AND DISADVANTAGES OF INVESTING IN STOCK MARKET

With the Indian stock market going topsy-turvy even if there is a slight change at the global level, it is certainly worth considering whether you should invest your money in the trading market or seek for some reliable and safe options like bank FDs and real estate. Investment in stock market is nothing short of a gamble, especially if you consider the volatile difficulties during the trading. It is the place where people buy and sell shares and during the transaction, gain profit or even lose some amount depending upon the rate of that stock on a particular day.

ADVANTAGES OF INVESTING IN STOCK MARKET

Chances of Exceedingly Good Returns in Short Time:

Even in the past people have gained exceedingly good returns on their stock market investments, and you always stand a good chance to earn huge profits when you decide upon stock market investing. So, when you invest in stock market India, although you put yourself at a lot of risks, you are also in a position to earn good returns in a very short time.

Minority Ownership

Well, it does sound like an exaggeration, but when you put your money in a reputed company's stocks, you become a part-owner of the company, irrespective of however smaller your share may be. You can improve your standing in the market by sagaciously putting your money in different companies. Moreover, you can exit whenever you want.

Right to Vote

Minority ownership gives you the right to vote and voice your opinions at the corporate level.

DISADVANTAGES OF INVESTING IN STOCK MARKET

Volatile Investments

Investment in BSE is subjected to many risks since the market is volatile. The shares of a company go up and come down so many times in just a single day. These price fluctuations are unpredictable most of the times and the investor sometimes have to face severe loss due to such uncertainty.

Brokerage Commissions Kill Profit Margin

Every time an investor buys or sells his shares, he has to pay some amount as a brokerage commission to the broker, which kills the profit margin.

Time Consuming

Investment in NSE is not as easy as investing in a lottery as you have to complete many formalities in the process and hence is time consuming. Related Tags Advantage of stock market Disadvantage of stock market stock market investing selling stock bank FD

Risk:

Investing in the stock market involves a degree of risk, as there is no guarantee that the stocks will perform well or that the investors will get their money back. Some factors that can affect the performance of the stock market are economic conditions, political events, natural disasters, corporate scandals, and market sentiment. Additionally, common stockholders are paid last if a company goes bankrupt, meaning that they may lose their entire investment

TYPES OF STOCK EXCHANGE

BOMBAY STOCK EXCHANGE (BSE)

Bombay Stock Exchange was formed in 1875 and is one of the two principal large stock exchanges in India. The major objective of BSE is to provide an efficient and transparent market for trading currencies, equities, mutual funds etc. As per the official website of BSE, its vision is to "Emerge as the premier Indian stock exchange with best-in-class global practice in technology, product innovation, and customer service."

BSE has a wholly-owned subsidiary. Indian Clearing Corporation Limited acts as a central counterparty to all the trades that happen on the exchange and provides settlements of the trades executed. Another subsidiary of BSE Limited is BSE Institute Limited which serves as a capital market educational institution in our country.

In the 1850s, 5 stockbrokers would gather under a banyan tree in front of the Mumbai Town Hall. Due to the increase in the number of brokers, the place of meetings kept changing before finally moving to Dalal Street in the year 1874. In order to measure the overall performance of the exchange, in 1986, the BSE developed the S&P BSE SENSEX index.

Apart from the Sensex, BSE also has other important indices such as BSE100, BSE200, BSE MIDCAP, BSE SMALLCAP, BSEAuto, BSEPharma, BSEMetal, etc.

National Stock Exchange (NSE)

National Stock Exchange is the leading stock exchange in India. It was established in the year 1992 as the first dematerialized electronic exchange in the country. It was the first exchange to provide a fully-automated screen-based trading system to the investors to facilitate easy trading. In the year 1993, NSE registered itself as a stock exchange under the Securities Contract Regulations Act. It operates with a vision to “to continue to be a leader, establish a global presence, facilitate the financial well-being of people .”

The benchmark index of NSE, Nifty 50 is used extensively by investors around the world to keep track of the Indian capital market. NSE had also played an important role in the creation of the National Securities Depository Limited. (NSDL) allows the investors to hold and transfer their shares electronically without any hassle. This eventually leads to holding the financial instruments conveniently in electronic form thereby reducing the fake certificate issues.

The NSE commenced trading in derivatives with the launch of index futures in the year 2000. Since then, the futures & options have come a long way in becoming a popular financial product. In the Futures and Options segment, trading in the NIFTY 50 Index, NIFTY IT index, NIFTY Bank Index, NIFTY Next 50 index, and single stock futures is available.

II. CONCLUSION

Share Market is a Place where buying and selling of shares which is also known as securities of a many registered companies takes place. There are two types of share market 1st is Primary Market and the 2nd is Secondary Market.

Primary Market is the Market where Buying and Selling of new or first hand securities or shares are issued .

Secondary Market is the Market where Buying and Selling of second hand securities or shares takes place .

According to my Opinion share market is the best place to earn extra money .Share market provides many kind of investments like Intraday or Delivery Trades anyone can Invest in this market either a student or an professional or any normal person who is just complete the criteria of 18 years old or above

You can just start your Trading (Investing) by online Platforms there are many applications who provide quality services and there is no risk of frauds.

The Guidelines of Share Market are Provided and Regulated by SEBI (SECURITIES EXCHANGE BOARD OF INDIA).as per the companies Act.2013.

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