



A COMPARATIVE STUDY ON BOMBAY STOCK EXCHANGE AND NATIONAL STOCK EXCHANGE WITH REFERENCE IN RISK AND RETURN

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Abstract:

This study was determined the Bombay stock exchange and national stock exchange with reference in risk and return. BSE and NSE is a largest stock market in India. It is a comparative analysis an Bombay stock exchange and national stock exchange. To make compare the ratio analysis of Bombay stock exchange for the over the period of time. It data has been a quire the financial statement for the Bombay stock exchange and national stock exchange. It involve the stock exchange in world. BSE and NSE as compare the financial performance; it may highly performance for Bombay stock exchanges and medium level for national stock exchange. BSE and NSE comparative ratio analysis over the period of time. BSE and NSE comparative balance sheet analysis.

Key Words: Financial Statement Analysis, Ratio Analysis, Balance Sheet Analysis

Introduction:

Financial markets played a vital role on raising funds from public for the companies and it helped the investors to get profits from the trading on the shares and other financial assets of these companies. For this purpose there a special part of the financial market called stock exchange was evolved. The comparison between two prominent stock exchanges on India on the basis of financial performance is presented in study.

Bombay Stock Exchange and National Stock Exchange make a comparative study of financial performance, balance sheets to present the study. The stock exchanges analysis the financial statements and measure the assets from generate the revenues of the marketers. This can be used different combination of financial performance analysis the Bombay Stock Exchange and National Stock Exchange.

Bombay Stock Exchange has measured by the SENSEX values of the Indian share markets, National Stock Exchange has measure by the NIFTY values of Indian stock market. Globally, BSE stood in the 10th position in the list of top stock exchanges

Components or Elements:

- BSE has the largest number of companies listed in the world with more than 5000. However, only 3000 are actively traded.
- Trading on BSE was done under Banyan Tree in 1955.
- The Bombay Stock Exchange was established as The Native Share & Stock Brokers' Association in 1875, which was later changed to BSE. The street housing the exchange is still called Dalalstreet.

Statement of the Problem:

- I do not think it is a bug which is trading from NSE to BSE. I think basically is some of the systems are not working properly. Whether this is because of some breach or whether this is because of kind of old system which are not robust enough.
- The fundamental information we have till now is that NSE is not working properly or it is not working at all and BSE is working well I mean given these two facts I think there is no reason to shut BSE and in fact it will be a big disservice to investors.
- This study fills the gap in the by focusing on the performances of the Indian stock markets. Through the found that the studies related to comparison of financial performance of stock exchanges were not conducted nationwide or internationally. And the study related to the comparison of financial performances of NSE and BSE was not made in the past.

Review of Literature:

The researcher has focused to review the literature related to performances of Bombay Stock Exchange and National Stock Exchange. Moreover the comparative studies of worldwide stock exchanges were also studied. Some studies conducted nationwide and internationally in context with the financial performance, efficiency, comparative studies of stock exchanges are being reviewed as follows.

Cohen, Ness, Okuda, Schwartz and Whitcomb (1976) worked on "The Determinants of Common Stock Returns Volatility: An International Comparison". They studied the issue of thinness is of interest for a number of reasons. They found that the most obvious re changes in the fundamental determinants of share price and of a firm's business and financial risk. They attempted to account for this by distinguishing between random traders included demand shifts and demand shifts induced by the receipt of new and generally available information concerning a stock's value. They also studied the differences in trading arrangements might explain some of the volatility differences especially internationally.

Varma Venkiteswaran (1990) explored the relationship of the Indian stock markets as reflected by the Bombay Stock Exchange Index, vis-a-vis other prominent international stock markets. Twenty three international stock indices are used over the period 1983-87. He concluded that there was practically no meaningful relationship between the BSE index and other international stock market indices, though the British and South Korean indices are inversely related to BSE.

Objectives of the Study:

- To make comparative analysis of balance sheet of Bombay Stock Exchange and National Stock Exchange over the period of time.
- To make comparative ratio analysis of financial performance of Bombay Stock Exchange and National Stock Exchange over the period of time.
- To make comparative analysis of profitability of Bombay Stock Exchange and National Stock Exchange over the period of time

Scope of the Study:

- This study is based on census of all stock exchanges of India for the period of Four years from 2015-2016 to 2018-2019. It covers the evaluation and comparison of financial performance (profitability) of NSE and BSE for four years. This study is limited for only financial performance covering averages of profits, listing income, brokerage income, operating expenses, Return on Capital Employed, total revenue Literature Review and Research
- Literature Review and Research Methodology income, etc. The tool for appraisal of financial performance is mean, standard deviation, coefficient of variance and trend analysis. So, the scope of the study is still very wide. This study encompassed data on annually profitability of NSE & BSE. In the case of NSE & BSE both, the study has been conducted for a period of four years from 2015-2016 to 2018-2019.

Research Methodology:

The research methodology is the selected topic follows in these dimensions articles, reports, surveys published on Indian capital market BSE and NSE. The methodology used for the implementation of the assigned project is based on secondary data and with the help of custom type pie explosion chart.

Research Design:

Research design for the descriptive study is exploratory type and the form is given. It provides the detailed knowledge about the BSE and NSE.

Sampling Design:

Sampling Unit = Comparison between BSE and NSE profitability, balance sheet

Sampling Size = Last four year comparison between BSE and NSE profitability, balance sheet (2016-2019)

Sampling Size:

Last four years profitability, annual report compare with BSE and NSE (-2016 to 2019).

Tools for Data Collection:

Tools for data collection are a secondary sources data. Most of financial information collected from websites, articles, and journals.

Secondary Data:

Balance sheet for the Bombay stock exchange and national stock exchange for the period of time 2016-2019

Statistical Tool:

Ms. Excel has been used to create a charts and calculations

Data Analysis and Interpretation:

The comparison between the two major stock exchanges the researcher had used some statistical tests according to the nature and objectives of the study.

Consolidated Total Liabilities:

Financial Year		Changes (Increase / Decrease)	Changes (%)
2016-2017	BSE	2.31E+10	18.40%
	NSE	2.14E+10	8.90%
2017-2018	BSE	2.77E+10	25.30%
	NSE	1.83E+10	15.40%

2018-2019	BSE	2.63E+10	23.70%
	NSE	1.91E+10	16.30%
Total	BSE	5.42E+10	67.40%
	NSE	5.89E+10	40.60%

Consolidated Total Asset:

Financial Year		Changes (Increase / Decrease)	Changes (%)
2016-2017	BSE	2.31E+10	18.40%
	NSE	2.14E+10	8.90%
2017-2018	BSE	2.77E+10	25.30%
	NSE	1.83E+10	15.40%
2018-2019	BSE	2.63E+10	23.70%
	NSE	1.91E+10	16.30%
Total	BSE	5.42E+10	67.40%
	NSE	5.89E+10	40.60%

Interpretation:

- BSE liabilities has been increase 2017-2018(25.30%) as compare NSE 2018-2019 (16.30%).
- NSE has been decrease 2016-2017(8.90) as compare BSE 2016-2017(18.40%)

Conclusion:

- BSE and NSE has find the comparative ratio analysis. The ratio which increase or decrease the values to analysis the years (2016-2019)
- BSE is improve the investment in stock market as compared NSE
- After studying and comparing both the Bombay stock exchange and national stock exchange we can conclude that both BSE and NSE are the pillars.

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