

ANALYSIS OF RISK AND RETURN: A COMPARATIVE STUDY OF BANKING AND AUTO SECTOR STOCKS IN INDIA

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ABSTRACT

The present paper empirically explains the relationship between return and risk in the Indian stock markets. The intended study compares the risk return of banking stocks as one of the service industries and auto mobile stocks as one of the manufacturing industries. Researchers consider nine stocks as sample for a period during 2011 to 2015. Annualized Return and Risk calculated to understand the relationship of volatility and reward. Regression analysis and t-test statistic were run to compare the performance of two industries. The results of the study reveal that there is no difference in performance of banking and auto stocks.

KEY WORDS: Stock Markets, Return, Risk, Regression Analysis, t-test, Performance.

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