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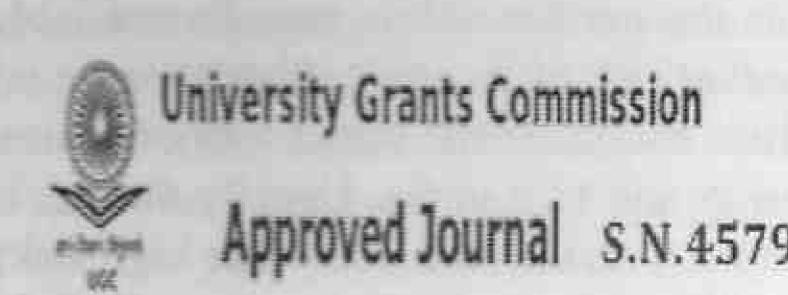


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#### PISK AND RETURN ANALYSIS OF SELECTED BANKING STOCKS IN NIFTY

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#### ABSTRACT

investment option among investors is banking stocks because banking sector is the backbone of the economy and these actively traded in stock markets. With the potential to become the 5<sup>th</sup> largest banking industry in the world by 2020 and 3<sup>rd</sup> 2025 according to KPMG-CII report, India's banking and financial sector is growing speedily. The Indian Banking presently worth Rs.81 trillion (US \$1.31 trillion) and banks are now employing the modern technologies like internet and exices to carry out dealings and interconnect with the masses. Presently Indian banking sector comprises of 26 Public sector Private sector banks and 43 Foreign banks along with 61 Regional rural banks (RRB's) and more than 90,000 credit comprises to the sector has given very good return to the investors in India in past. But the recent financial crisis, has proved, that the socks tend to be more volatile than other sector stocks. With this background we have undertaken a study on Risk and Return selected banking stocks from NIFTY. The study is conducted by taking a sample of five banking stocks listed in Nifty PNB, ICICI, AXIS and HDFC. The Average Return, variance, Standard deviation and Beta were computed for these a period of 5 years i.e. 2012-17.

Return, Risk, Beta, Variance, Standard deviation, Bank, Stock, Investor.

#### uction

return are the two faces of the investment coin. Return is the primary motivating factor behind any investment. It is the undertaking investment. The return includes current return and capital return. The current return is nothing but the regular like dividend, interest etc. The capital return is the difference between buying price and selling price of investment. It can be appreciation or capital depreciation.

used for calculating daily returns is

$$=\frac{p_t-p_{t-1}}{p_{t-1}}*100$$

= reciod return= Dividends +  $\frac{p_t - p_{t-1}}{p_{t-1}} * 100$ 

returns = sum of daily returns/ number of observations

returns = average daily return \* number of trading days

price, selling price

price, purchase price.

ent the commitment of funds take place at present but the returns we receive in future. This feature of investment involves nothing but variability in returns. It is the difference between actual return and expected return. Higher the variability in