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A STUDY ON IMPACT OF EARNINGS PER SHARE, DIVIDEND PER SHARE AND PRICE EARNING RATIO ON BEHAVIOUR OF SHARE MARKET PRICE MOVEMENTS WITH SPECIAL REFERENCE TO NSE

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ABSTRACT

The study was undertaken to know whether the Earnings Per Share, Dividend Per Share and Price Earnings Ratio can be used as a significant explanatory variable for predicting share Market prices.

Through this study the impact of Earnings per Share, Dividend Per Share, Price Earnings Ratio on share price of selected industries have been analyzed, the strength of association of variables have also been measured.

The study was conducted by collecting data from various websites and magazines. The selected companies were those companies which are listed and activity traded with high volumes in NSE.

The collected data were exploratory data's which was measured through simple Correlation analysis and Multiple regression analysis. The analysis shows that share price of various companies are not affected by the independent variables and only few industries are affected.

Key words: Earning per share, Dividend per share, Price earnings ratio, Market prices, National Stock Exchange, Share price, industries.

1. INTRODUCTION:

Generally, the security prices reflect the performance of a company. Both economic and non-economic factors invariably affect stock return behavior. Indian financial institutions also play a major role in equity market leading to stock return fluctuations. In the present project, it is attempted to test the equity price movements taking pharmaceuticals, oil and sugar industries as sample sectors.

1.1.Stock Exchange:

The stock exchange or secondary market is a highly organized market for the purchase and sale of second hand quoted of listed securities. After the industrial resolution, as the size of the business enterprises grew, it was no longer possible for individual person or even partnerships to raise such huge amount for undertaking these ventures.

1.1.2 Bombay Stock Exchange:

- To safeguard the interest of the investing public having dealings on the exchange.
- To promote, develop, and maintain well regulated market for dealing in securities.
- To promote industrial development in the country through efficient resource mobilization by the way of investment in corporate securities.

1.1.3 National Stock Exchange

- The limitations of being on Mumbai and the limitations of India's Public telecom network were avoided by using satellite communications. Now NSE has a network of over 2000 satellite terminals all over the country.
- NSE is not owned by brokers. It is a limited liability company and brokers or franchisees. Therefore NSEs staff is free of pressures from brokers and is able to perform its regulatory and enforcement functions more effectively.

.2. OBJECTIVES OF THE STUDY:

- To study the impact of the Earnings per Share, Dividend per Share, Price Earnings Ratio of the selected industries.
- To measure the strength of association of independent variable (Dividend Per Share, Earnings Per Share, Profit Earning Ratio)

2.2. SCOPE OF THE STUDY:

The purpose of the study is to find out whether the companies share prices movements depends on the company's profit and their dividend issues. The research reveal the results regarding the various Earnings Per Share , Dividend Per Share, Price Earnings Ratio impact on the price changes during that period. Data are collected from the web sites helped to find out the impact and the causes of price changes.

3.RESEARCH METHODOLOGY:

3.1.SAMPLING TECHNIQUES:

The samples are chosen from the NSE India site, which are actively and highly traded industries in the past five years. **A**. No. Of. Years: 5 years, **B.** No. Of sectors: 5 sectors **C.** No. Of companies: 25 companies

3.1 .STATISTICAL TOOLS:

- Regression
- Correlation
- Multiple regression

4. DATA ANALYSIS AND INTERPRETATION:

4.1.1. The Coefficient of Correlation (r):

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{n\sum X^2 - (\sum X)^2}\sqrt{n\sum Y^2 - (\sum Y)^2}}$$

4.1.2. The linear multiple regression problem is to estimate coefficients β_1, β_2, ….., β_j and β_0 such that the expression,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots\ldots + \beta_j X_K$$

provides a good estimate of an individual Y score based on the X scores, where,

Y is Dependent Variable, X_1, X_2 and X_3 are the independent variables and $\beta_0 + \beta_1 + \beta_2 + \ldots\ldots\ldots + \beta_j$ are the parameters to be estimated.

4.1.3. Regression Equation:

$Y = a + b_1X_1 + b_2X_2 + b_3X_3$, Where

'a' is the Regression constant.

'b_1,b_2,b_3' is the Regression coefficient.

4.$Y = a + b_1X_1 + b_2X_2 + b_3X_3$

TABLE - 4.1.1.1
AUTOMOBILE SECTOR

S.No	Name of the company	Price/Eps		Price/Dps		Price/Pe	
		r	r^2	R	r^2	r	r^2
1	ASHOK LEYLAND	0.257	0.066	0.896	0.803	0.707	0.499
2	BAJAJ AUTO	0.915	0.837	0.944	0.892	0.966	0.932
3	HERO HONDA	0.932	0.869	0.771	0.594	0.400	0.160
4	MAHINDRA & MAHINDRA	0.983	0.967	0.971	0.942	0.892	0.796
5	TATA MOTORS	0.984	0.968	0.966	0.933	0.569	0.323

TABLE - 4.1.1.2
CEMENT SECTOR

S.No	Name of the company	Price/Eps		Price/Dps		Price/Pe	
		R	r^2	r	r^2	r	r^2
1	ACC	0.850	0.723	0.942	0.887	0.576	0.332
2	BIRLA	0.985	0.971	1.000	1.000	0.999	0.997
3	GUJ AMB	0.716	0.513	0.784	0.615	0.983	0.966
4	MADRAS	0.839	0.703	0.970	0.942	0.473	0.223
5	GRASIM	0.928	0.862	0.973	0.947	0.853	0.728

TABLE- 4.1.1.3
FMCG SECTOR

S.No	Name of the company	Price/Eps		Price/Dps		Price/Pe	
		R	r^2	R	r^2	r	r^2
1	COLGATE	0.271	0.074	0.665	0.443	0.390	0.152
2	DABUR	0.873	0.763	0.689	0.474	0.825	0.681
3	GODREJ	0.985	0.969	0.966	0.932	0.999	0.998
4	HLL	0.066	0.004	0.909	0.827	0.600	0.360
5	ITC	0.921	0.849	0.709	0.502	0.814	0.662

TABLE- 4.1.1.4
IT SECTOR

S.No	Name of the company	Price/Eps		Price/Dps		Price/Pe	
		R	r^2	R	r^2	r	r^2
1	HCL	0.539	0.291	0.635	0.403	0.970	0.941
2	INFOSYS	0.394	0.155	0.692	0.479	0.867	0.752
3	SATHYAM	0.610	0.372	0.841	0.708	0.709	0.503
4	VISUAL SOFT	0.767	0.589	0.180	0.032	0.883	0.780
5	WIPRO	0.610	0.372	0.841	0.708	0.709	0.503

TABLE- 4.1.1.5
PHARMA SECTOR

S.No	Name of the company	Price/Eps		Price/Dps		Price/Pe	
		R	r^2	r	r^2	r	r^2
1	CIPLA	0.720	0.518	0.627	0.394	0.107	0.011
2	DR REDDY	0.660	0.435	0.273	0.074	0.761	0.579
3	RANBAXY	0.921	0.849	0.990	0.980	0.591	0.350
4	STERLING	0.675	0.456	0.382	0.146	0.787	0.620
5	TORRENT	0.765	0.585	0.760	0.577	0.980	0.960

TABLE- 4.2.1
T-VALUES FOR CONSTANT AND COEFFICIENT AND STANDARD ERROR OF AUTOMOBILE SECTOR

Company	*Variables*	*Co-efficients*	*Std. error*	*t*	*p-value*	Remark
Ashok Leylond	***Constant***	-2.437	0.257	-9.496	0.067	**Accept H_0**
	DPS	1.215	0.101	12.034	0.053	**Accept H_0**
	EPS	0.994	0.120	8.257	0.077	**Accept H_0**
	P/E	8.517E-03	0.051	0.166	0.895	**Accept H_0**
Bajaj Auto	***Constant***	-1.994	0.225	-8.873	0.071	**Accept H_0**
	DPS	0.128	0.251	0.511	0.699	**Accept H_0**
	EPS	1.382	0.183	7.568	0.084	**Accept H_0**
	P/E	0.492	0.244	2.015	0.293	**Accept H_0**
Hero Honda	***Constant***	-1.884	0.100	-18.874	0.034	**Reject H_0**
	DPS	-0.216	0.032	-6.764	0.093	**Accept H_0**
	EPS	0.794	0.056	14.219	0.045	**Reject H_0**
	P/E	1.362	0.058	23.385	0.027	**Reject H_0**
Mahindra & Mahindra	**Constant**	-3.108	0.279	-11.134	0.057	**Accept H_0**
	DPS	1.570	0.274	5.740	0.110	**Accept H_0**
	EPS	1.063	0.075	14.132	0.045	**Reject H_0**
	P/E	-7.957E-02	0.186	-0.428	0.742	**Accept H_0**

TABLE - 4.2.2
MULTIPLE REGRESSION ANALYSIS

Automobile Sector	Multiple R	Multiple R^2	Adjusted R^2	Std. Error of Estimate
Ashok Leylond	0.999	0.998	0.991	0.026
Bajaj Auto	0.999	0.998	0.993	2.332
Hero Honda	1.000	1.000	1.000	7.445
Mahindra & Mahindra	1.000	1.000	1.000	9.614
Tata Motors	1.000	1.000	1.000	0

TABLE- 4.2.3
ANOVA TABLE

Automobile Sector	Source	Sum of Square	DF	Mean Sum of Square	F	p-value
Ashok Leylond	Regression	0.289	3	9.627E-02	143.52	0.061
	Residual	6.708E-02	1	6.708E-04		
Bajaj Auto	Regression	0.293	3	9.762E-02	179.51	0.055
	Residual	5.438E-04	1	5.438E-04		
Hero Honda	Regression	0.180	3	6.005E-02	1086.46	0.022
	Residual	5.542E-05	1	5.542E-05		
Mahindra & Mahindra	Regression	0.603	3	0.201	2174.02	0.016
	Residual	9.243E-05	1	9.243E-05		
Tata Motors	Regression	4.712E-02	2	2.356E-02	-	-
	Residual	5.231E-18	0	-		

TABLE - 4.2.4
T-VALUES FOR CONSTANT AND COEFFICIENT AND STANDARD ERROR OF CEMENT SECTOR

Company	*Variables*	*Co-efficients*	*Std. error*	*t*	*p-value*	Remark
ACC	**Constant**	-3.107	6.275	-0.495	0.707	**Accept H_0**
	DPS	-9.645E-02	3.042	-0.032	0.980	**Accept H_0**
	EPS	1.483	2.959	0.501	0.704	**Accept H_0**
	P/E	1.160	3.136	0.370	0.774	**Accept H_0**
BIRLA	***Constant***	0.937	0.002	455.975	0.001	**Reject H_0**
	DPS	-0.328	0.011	-31.063	0.020	**Reject H_0**
	EPS	-0.166	0.004	-37.260	0.017	**Reject H_0**
	P/E	1.026	0.016	65.483	0.010	**Reject H_0**
GUJ AMB	***Constant***	-2.128	0.257	-2.128	0.257	**Accept H_0**
	DPS	-0.259	0.070	-0.259	0.070	**Accept H_0**
	EPS	2.158	0.141	2.158	0.141	**Accept H_0**
	P/E	0.166	0.036	0.166	0.036	**Reject H_0**
MADRAS	***Constant***	-0.923	2.048	-0.451	0.730	**Accept H_0**
	DPS	1.510	0.672	2.247	0.267	**Accept H0**
	EPS	2.430E-02	0.275	0.088	0.944	**Accept H0**
	P/E	-7.634E-02	0.216	-0.354	0.783	**Accept H0**
GRASIM	***Constant***	-1.978	0.507	-5.494	0.115	**Accept H_0**
	DPS	0.779	0.696	0.930	0.523	**Accept H_0**
	EPS	-1.978	0.507	3.916	0.159	**Accept H_0**
	P/E	0.779	0.696	2.560	0.237	**Accept H_0**

TABLE - 4.2.5
REGRESSION ANALYSIS

Cement Sector	Multiple R	Multiple R^2	Adjusted R^2	Std. Error of Estimate
ACC	0.969	0.938	0.754	9.423E-02
BIRLA	1.000	1.000	1.000	2.891E-03
GUJ AMB	0.999	0.999	0.995	1.152E-02
MADRAS	0.980	0.961	0.844	7.671E-02
GRASIM	0.998	0.997	0.987	3.359E-02

TABLE-4.2.6
ANOVA TABLE

Cement Sector	Source	Sum of Square	DF	Mean Sum of Square	F	p-value
ACC	Regression	0.135	3	4.515E-02	5.085	0.313
	Residual	8.880E-03	1	8.880E-03		
BIRLA	Regression	0.889	3	0.296	35441.8	0.004
	Residual	8.359E-06	1	8.359E-06		
GUJ AMB	Regression	0.109	3	3.637E-02	273.864	0.044
	Residual	1.328E-04	1	1.328E-04		
MADRAS	Regression	0.145	3	4.846E-02	8.235	0.249
	Residual	5.884E-03	1	5.884E-03		
GRASIM	Regression	0.358	3	0.119	105.853	0.071
	Residual	1.129E-03	1	1.129E-03		

TABLE-4.2.7
T-VALUES FOR CONSTANT AND COEFFICIENT AND STANDARD ERROR OF FMCG SECTOR

Company	*Variables*	*Co-efficients*	*Std. error*	*t*	*p-value*	Remark
COLGATE	**Constant**	-2.220	0.058	-38.364	0.017	**Reject H_0**
	DPS	7.138E-02	0.013	5.385	0.117	**Accept H_0**
	EPS	1.017	0.021	48.345	0.013	**Reject H_0**
	P/E	1.022	0.017	58.471	0.011	**Reject H_0**
DABUR	***Constant***	-1.890	0.111	-17.081	0.037	**Reject H_0**
	DPS	-3.200E-02	0.042	-0.760	0.586	**Accept H_0**
	EPS	1.064	0.066	16.144	0.039	**Reject H_0**
	P/E	0.914	0.099	9.219	0.069	**Reject H_0**
GODREJ	***Constant***	1.134	0.095	12.001	0.053	**Accept H_0**
	DPS	3.862	3.569	1.082	0.475	**Accept H_0**
	EPS	3.247	0.847	3.835	0.162	**Accept H_0**
	P/E	-6.704	3.473	-1.930	0.304	**Accept H_0**
HLL	***Constant***	-3.568	0.097	-36.742	0.017	**Reject H_0**
	DPS	0.152	0.013	11.926	0.053	**Accept H0**
	EPS	1.389	0.021	65.099	0.010	**Reject H_0**
	P/E	1.244	0.015	84.154	0.008	**Reject H_0**
ITC	***Constant***	-2.023	0.198	-10.234	0.062	**Accept H_0**
	DPS	8.758E-03	0.019	0.466	0.722	**Accept H_0**
	EPS	1.058	0.081	12.991	0.049	**Reject H_0**
	P/E	0.945	0.044	21.274	0.030	**Reject H_0**

TABLE-4.2.8
REGRESSION ANALYSIS

Cement Sector	Multiple R	Multiple R^2	Adjusted R^2	Std. Error of Estimate
COLGATE	1.000	1.000	0.999	2.324E-03
DABUR	1.000	0.999	0.997	9.084E-03
GODREJ	0.990	0.980	0.920	9.452E-02
HLL	1.000	1.000	1.000	4.344E-04
ITC	1.000	0.999	0.997	8.461E-03

TABLE - 4.2.9
ANOVA TABLE

FMGC Sector	Source	Sum of Square	DF	Mean Sum of Square	F	p-value
COLGATE	Regression	3.314E-02	3	1.105E-02	2045.725	0.016
	Residual	5.400E-06	1	5.400E-06		
DABUR	Regression	0.116	3	3.816E-02	467.949	0.034
	Residual	8.251E-05	1	8.251E-05		
GODREJ	Regression	0.436	3	0.145	16.263	0.180
	Residual	8.935E-03	1	8.935E-03		
HLL	Regression	1.943E-02	3	6.476E-03	34324.50	0.004
	Residual	1.887E-07	1	1.887E-07		
ITC	Regression	0.110	3	3.666E-02	512.067	0.032
	Residual	7.159E-05	1	7.159E-05		

TABLE - 4.2.10
T-VALUES FOR CONSTANT AND COEFFICIENT AND STANDARD ERROR OF IT SECTOR

Company	*Variables*	*Co-efficient*	*Std. error*	*t*	*p-value*	Remark
HCL	**Constant**	-2.262	2.621	-0.863	0.547	**Accept H_0**
	DPS	0.264	0.248	1.064	0.480	**Accept H_0**
	EPS	0.591	0.154	3.843	0.162	**Accept H_0**
	P/E	1.266	1.116	1.134	0.460	**Accept H_0**
INFOSYS	***Constant***	-3.013	1.528	-1.972	0.299	**Accept H_0**
	DPS	-7.804E-02	0.130	-0.599	0.656	**Accept H_0**
	EPS	1.274	0.326	3.910	0.159	**Accept H_0**
	P/E	1.311	0.569	2.304	0.261	**Accept H_0**
SATHYAM	***Constant***	-2.052	1.038	-1.976	0.298	**Accept H_0**
	DPS	-0.108	0.230	-0.468	0.721	**Accept H_0**
	EPS	1.195	0.574	2.082	0.285	**Accept H_0**
	P/E	0.929	0.203	4.578	0.137	**Accept H_0**
VISUAL SOFT TECH	***Constant***	6.831E-02	0.477	0.143	0.910	**Accept H_0**
	DPS	-0.436	0.074	-5.881	0.107	**Accept H_0**
	EPS	0.797	0.079	10.097	0.063	**Accept H_0**
	P/E	0.603	0.114	5.295	0.119	**Accept H_0**
WIPRO	***Constant***	-2.052	1.038	-1.976	0.298	**Accept H_0**
	DPS	-0.108	0.230	-0.468	0.721	**Accept H_0**
	EPS	1.195	0.574	2.082	0.285	**Accept H_0**
	P/E	0.929	0.203	4.578	0.137	**Accept H_0**

TABLE - 4.2. 11
REGRESSION ANALYSIS

IT Sector	Multiple R	Multiple R^2	Adjusted R^2	Std. Error of Estimate
HCL	0.987	0.974	0.897	4.353E-02
INFOSYS	1.000	0.999	0.998	8.568E-03
SATHYAM	0.995	0.989	0.958	3.532E-02
VISUAL SOFT TECH	0.999	0.998	0.993	6.885E-03
WIPRO	0.995	0.989	0.958	3.532E-02

TABLE - 4.2.12
ANOVA TABLE

IT Sector	Source	Sum of Square	DF	Mean Sum of Square	F	p-value
HCL	Regression	7.200E-02	3	2.400E-02	12.663	0.203
	Residual	1.895E-03	1	1.895E-03		
INFOSYS	Regression	0.132	3	4.390E-02	597.870	0.030
	Residual	7.342E-05	1	7.342E-05		
SATHYAM	Regression	0.116	3	3.876E-02	31.072	0.131
	Residual	1.247E-03	1	1.247E-03		
VISUAL SOFT TECH	Regression	2.778E-02	3	9.261E-03	195.354	0.053
	Residual	4.741E-05	1	4.741E-05		
WIPRO	Regression	0.116	3	3.876E-02	31.072	0.131
	Residual	1.247E-03	1	1.247E-03		

TABLE - 4.2.13

T-VALUES FOR CONSTANT AND COEFFICIENT AND STANDERD ERROR OF PHARMA SECTOR

Company	*Variables*	*Co-efficients*	*Std. error*	*t*	*p-value*	Remark
CIPLA	**Constant**	-0.388	0.657	-0.592	0.660	**Accept H_0**
	DPS	0.430	0.082	5.269	0.119	**Accept H_0**
	EPS	0.924	0.228	4.045	0.154	**Accept H_0**
	P/E	-0.161	0.066	-2.445	0.247	**Accept H_0**
DR REDDY	***Constant***	2.490	2.155	1.156	0.454	**Accept H_0**
	DPS	-6.986E-03	0.222	-0.031	0.980	**Accept H_0**
	EPS	-0.192	0.513	-0.375	0.772	**Accept H_0**
	P/E	-4.753E-02	0.382	-0.124	0.921	**Accept H_0**
RANBAXY	***Constant***	-1.313	1.060	-1.239	0.432	**Accept H_0**
	DPS	0.126	0.282	0.446	0.733	**Accept H_0**
	EPS	0.757	0.477	1.587	0.358	**Accept H_0**
	P/E	0.772	0.343	2.253	0.266	**Accept H_0**
STERLING	***Constant***	-2.462	7.254	-0.339	0.792	**Accept H_0**
	DPS	-3.951	5.233	-0.755	0.588	**Accept H_0**
	EPS	3.407	3.536	0.964	0.512	**Accept H_0**
	P/E	2.971	4.874	0.610	0.652	**Accept H_0**
TORRENT	***Constant***	-1.326	1.408	-0.942	0.519	**Accept H_0**
	DPS	-0.254	0.796	-0.320	0.803	**Accept H_0**
	EPS	1.085	0.037	29.540	0.022	**Reject H_0**
	P/E	0.833	0.117	7.145	0.089	**Accept H_0**

TABLE - 4.2.14

REGRESSION ANALYSIS

PHARMA Sector	Multiple R	Multiple R^2	Adjusted R^2	Std. Error of Estimate
CIPLA	0.992	0.983	0.933	2.608E-02
DR REDDY	0.769	0.591	-0.636	6.193E-02
RANBAXY	0.999	0.998	0.991	1.740E-02
STERLING	0.875	0.766	0.063	0.6825
TORRENT	1.000	1.000	0.998	1.044E-02

TABLE4.2.15

ANOVA TABLE

Pharma Sector	Source	Sum of Square	DF	Mean Sum of Square	F	p-value
CIPLA	Regression	4.011E-02	3	1.337E-02	19.656	0.164
	Residual	6.802E-04	1	6.802E-04		
DR REDDY	Regression	5.541E-03	3	1.847E-03	0.482	0.755
	Residual	3.836E-03	1	3.836E-03		
RANBAXY	Regression	0.136	3	4.545E-02	150.19	0.60
	Residual	3.026E-04	1	3.026E-04		
STERLING	Regression	1.523	3	0.508	1.090	0.591
	Residual	0.466	1	0.466		
TORRENT	Regression	0.262	3	8.740E-02	801.18	0.026
	Residual	1.091E-04	1	1.091E-04		

5. FINDINGS :

5.1.AUTO MOBILE SECTOR:

In the Individuals test of 5% significance level, except Hero Honda's Earnings Per Share and Price Earnings Ratio and Mahindra and Mahindra's Earning per Share, All other company's independent variables are proved as significant explanatory variables. But at 10% significance level except Ashok Leyland's Price Earnings Ratio, Bajaj Autos Dividend Per Share and Price Earnings Ratio and Mahindra and Mahindra's Dividend Per Share and Price Earnings Ratio, all independent variables are proved as insignificant explanatory variable.

5.2 .CEMENT SECTOR:

In the individual test of 5% significance level, except Birla Cement's Dividend Per Share, Earnings Per Share, Price Earnings Ratio, Gujarat Ambujas Cement Price Earnings Ratio, all other company's independent variables are proved as significant explanatory variables. But at 10% significance level except ACC cement, Gujarat Ambuja cement's Earnings Per Share, Madras cement, Grasim cement's all variables. Other independent variables are proved as significant explanatory variable.

5.3 .FMCG SECTOR:

From the individual test of 5% significance level except Colgate's Dividend Per Share, Dabur's Dividend Per Share, Godrej, HLL's Dividend Per Share, ITC's Dividend Per Share, all other company's independent variables are proved as insignificant explanatory variable. But at 10% significant explanatory level Colgate's Dividend Per Share, Dabur's Dividend Per Share and Godrej's all independent variables, ITC Dividend Per Share are proved as insignificant explanatory variables.

5.4 .IT SECTOR:

Individual test of 5% significance level, all the hypothesis is accepted which proves, as the variables are not significantly explanatory variables. But at 10% significance level also the hypothesis are accepted for all companies except Visual soft's Earnings Per Share, which says that all variables are not significantly explanatory variable.

5.5.PHARMA SECTOR:

Individual test of 5% significance level all companies null hypothesis are accepted except Torrent's Earnings Per Share, which says that variables of the companies are not significantly explanatory variable. But when we opt for 10% significance level null hypothesis of all companies are accepted except Torrent Earnings Per Share, which says the variables are not significantly explanatory variable.

6. CONCLUSION:

The correlation techniques have revealed that earnings per share is the most determinant factor of market price of share out of the three variables taken for the study; the next is the dividend per share followed by the Price Earnings Ratio, Earnings Per Share.Therefore study reveals that different variables assumed significance in different years depending upon the stock market conditions. Thus, broadly rejecting the hypothesis that the set of variables determining equity price behavior for both the groups would be significantly different from each other due to the different in the nature and motive of investment.

Finally, the investors should keenly watch the situation like market price, economy, company progress, etc. and according to that they should take decisions whether to buy or sell securities. Hence, investing in shares especially the secondary market becomes a very rich experience.

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