Project Guidelines

Points to be kept in mind while preparing the Business Studies Project for Grade - 12

1. Always try to choose the interesting business studies project topics
2. Always keep your project short and precise. Add topics only related to your project topic.
3. Try to Add Diagrammatic/Graphic Presentation. Add Diagrams, Pie-Charts, Bar Charts, and Graphs (If Possible)
4. If you have any doubts ask with your project guide for project guidelines
5. Submit your project report on time.

Important points that should be included in the project.

1. Title of the project
2. Problem being discussed in the project
3. The main reason for selecting this project topic
4. Literature Review
5. The objective of the project
6. Scope of the project
7. Limitations of the project
8. Working methodology of project
9. Acknowledgement
10. Preface
11. Contents of the project
12. Observations and findings
13. Conclusion
14. References (reference books. journals, magazines, websites, etc.)

Steps to be kept in mind while writing the project

1. Identifying the Project Statement
2. Setting the Project Objective and Scope of the Project
3. Defining the Project Tasks and Responsibilities (Creating the Work Flow Structure)
4. Monitoring the Project and Finding the Important Resources Required

Business Studies Project - Class 12
(Name of the Project)

Submitted by:

Name:
Roll no:
School Name:

Acknowledgement

I would like to convey my sincere thanks to ……… (Teachers name), my business studies teacher who always gave me valuable suggestions and guidance during the project. She/he has a source of inspiration and helped me understand and remember important details of the project. She/he gave me an amazing opportunity to do this wonderful project '(name of the project)'.

I also thank my parents and friends for their help and support in finalizing this project within the limited time frame.

…………………. (Name of the student)

Certificate

This is to certify that ………………….... (Name of the student) of class 12 has successfully completed the Business Studies Project on ………………………………………….. (Name of the project) as per the guidelines of class 12 Board examination conducted by CBSE.

Teacher's Signature: ______________________

Teacher's Name: ______________________

An Example is given below the topic being discussed here is "Stock Exchange"

List of Content

Meaning of Exchange

Stock Market is a place where shares of public listed companies are traded. A stock exchange facilitates stock brokers to trade company stocks and other securities. A stock may be bought or sold only if it is listed on an exchange.

A stock exchange facilitates stock brokers to trade company stocks and other securities. A stock may be bought or sold only if it is listed on an exchange. Thus, it is the meeting place of the stock buyers and sellers. India's premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange.

History of Stock Exchange in India

Security trading in India goes back to the 18th century when the East India Company began trading in loan securities. Corporate shares started being traded in the 1830s in Bombay (now Mumbai) with the stock of Bank and Cotton presses. The simple and informal beginnings of stock exchanges in India take one back to the 1850s when 22 stockbrokers began trading opposite the Town Hall of Bombay under a banyan tree. The tree still stands in the area which is now known as Horniman Circle.

The venue then shifted to banyan trees at the Meadows Street junction, which is now known as Mahatma Gandhi Road, a decade later. The shift continued taking place as the number of brokers increased, finally settling in 1874 at what is known as Dalal Street. This as yet informal group known as the Native Share and Stockbrokers Association organized themselves as the Bombay Stock Exchange (BSE) in 1875. The BSE is the oldest stock exchange in Asia and was the first to be granted permanent recognition under the Securities Contract Regulation Act, 1956.

The BSE was followed by the Ahmedabad Stock Exchange in 1894 which focused on trading in shares of textile mills. The Calcutta Stock Exchange began operations in 1908 and began trading shares of plantations and jute mills. The Madras Stock Exchange followed, being set up in 1920.

Stock Exchange in India Today

In the post-independence era, the BSE dominated the volume of trading. However, the low level of transparency and undependable clearing and settlement systems, apart from other macro factors, increased the need of a financial market regulator, and the SEBI was born in 1988 as a non-statutory body. It was made a statutory body in 1992.

After the Harshad Mehta scam in 1992, there was a pressing need for another stock exchange large enough to compete with the BSE and bring transparency to the stock market. This gave birth to the National Stock Exchange (NSE). It was incorporated in 1992, became recognized as a stock exchange in 1993, and trading began on it in 1994. It was the first stock exchange on which trading took place electronically. In response to this competition, BSE also introduced an electronic trading system known as BSE On-line Trading (BOLT) in 1995.

The BSE launched its sensitivity index, the Sensex, now known as the S&P BSE Sensex, in 1986 with 1978–79 as the base year. This is an index of 30 companies and is a benchmark stock index, measuring the overall performance of the exchange. The index reached the level of 1,000 in July 1990, 2,000 in January 1992, 4,000 in March 1992, 5,000 in October 1999, and 6,000 in February 2000. The exchange introduced equity derivatives in 2000. Index options were launched in June 2001, stock options in July 2001, and stock futures in November 2001. India's first free-float index, BSE Teck, was launched in July 2001.

Its competitor, NSE, launched its benchmark exchange, the CNX Nifty, now known as Nifty 50, in 1996. It comprises 50 stocks and functions as the performance measure of the exchange. In terms of electronic screen-based trading and derivatives, it beat BSE by launching first of its kind products and services.

BSE and NSE are not the only stock exchanges in India. After the country gained independence, 23 stock exchanges were added not including the BSE. However, at present, there are only seven recognized stock exchanges. Apart from the BSE and NSE, they are:

1. Calcutta Stock Exchange Ltd.
2. Magadh Stock Exchange Ltd.
3. Metropolitan Stock Exchange of India Ltd.
4. India International Exchange (India INX)
5. NSE IFSC Ltd.

How Does The Stock Exchange Work?

There are two major stock exchanges in India:

Bombay Stock Exchange (BSE).
National Stock Exchange (NSE).

Types of Share markets: There are two types of share markets in the country:

Primary share market: This is the market where companies or businesses register themselves. Companies enter the primary share market to raise funds by offering their stocks. When a company registers itself in the primary share market and offers to sell its shares for the first time, it is known as Initial Public Offering (IPO). Here, you must understand that shares are a physical representation of a small value of the company, and owning the shares means that you are a part-owner of the company.

Secondary share market: The actual trading of a company's shares occurs in the secondary share market. After a company's share is listed on a stock exchange, investors can engage in trading, i.e. the sale or purchase, on prices that are governed by market movements. You can trade in shares in the secondary share market only through a broker. In the present digital age, you can easily open a Demat Account and a Trading Account, following which you are allowed to trade in stock markets via broking platforms.

Who Regulates Stock Markets in India?

Securities and Exchange Board of India (SEBI), constituted in 1992 under the SEBI Act, regulates and monitors stock markets in India. Along with the overall administrative control of stock markets, SEBI is also entrusted with the role of conducting inspections and formulating rules for stock markets.

Who are Stockbrokers?

It is imperative for you to understand that you can trade in stock markets only through a broker. Stockbrokers are financial intermediaries, who enable you to trade while charging brokerage fees for their services. Stockbrokers/ Brokerage firms are registered with SEBI and act as a link between the investor and stock markets.

How can you Trade in the Stock Market?

Before the advent of the internet, you were required to physically visit brokers, and instruct them for transactions. But now stockbrokers provide digital trading platforms, where you can trade through:

A **bull market** occurs when securities are on the rise, while a **bear market** occurs when securities fall for a sustained period of time. It's important to understand the differences between bull and bear markets and how they impact your investment decisions.

Web trading applications

Terminal software.

Mobile-based apps.

How does the Actual Trading Occur?

After providing the details of your Demat Account and Trading Account to the broker, you need to specify the amount of stocks to be sold or purchased.

The broker checks whether your account has the requisite funds.

Your order is now passed for execution in the stock exchange. For instance, if you have issued a purchase order, it will be matched with a similar sell order. You have to finalize a price, following which the seller will confirm it.

The exchange then confirms the transfer of ownership of shares. You then receive an intimation about the settlement, and the shares will be reflected in your account in two working days.

Depending upon the market movement, you either make a profit or loss from the transaction.

How to Evaluate a Stock before Investing?

You can evaluate stocks through:

Technical analysis: This involves a minute examination of the market for intraday trading. Here you have to analyze a slew of factors like movement average, Regarding Strength Index (RSI), etc. You can use the trends, patterns, analysis, and reports provided by stockbroking companies to analyze the stock movements.

Fundamental analysis: Here, you can yourself study some key factors, like Returns on Equity, Earnings Yield, GP Margin, Debt to Equity Ratio, Interest Cover Ratio, Market Capitalisation, etc. This will provide you with greater clarity regarding stock prices.

How are Stock Market Returns Calculated?

Typically, two methodologies are designed to calculate market returns:

Absolute Return Methodology: Here, variables, including buying price, selling price, returns and return percentage are used to calculate returns.

Compounded Annual Growth Methodology: Here the returns are calculated after taking into account the overall time period. Market experts prefer this methodology over the former.

Conclusion

Stock markets are places where stocks and securities are electronically traded. The first step for your investment in stock markets should be to open a Demat Account and a Trading Account with a reliable financial partner.

Bibliography

Government and other Websites
Online and RBI links
News paper, Magazines.