

A STUDY ON BETA VALUE OF BANKING SECTOR STOCKS IN NSE NIFTY

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ABSTRACT

Role of banking industry is most significant in the present scenario of demonetisation. In the light of demonetisation, banking transactions have increased and need for best investment avenues are rising. In this occasion Indian stock market is the best place for investing or trading. Here the author tries to analyse the risk in banking shares. Beta expresses the fundamental trade-off between minimizing risk and maximizing return. If the investor is ready to take risk, he should select the beta with higher value. If the investor is risk averse, he should select beta of less than 1. Risk in banking shares are comparatively above average risk. But less riskier shares are also available from banking shares. Long term investment is preferable in the case of shares from banking sector. Short term investors should be careful to select shares of banks with beta value less than 1.

KEYWORDS : Banking Stock, Beta, Risk

Article History

Received: 27 Dec 2017 | Revised: 02 Jan 2018 | Accepted: 18 Jan 2018
