FINANCE INDIA
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Vol. XXXV No. 2, June 2021
Pages—513 - 519

Abstract of Doctoral Dissertation

A Critical Analysis on Variables Affecting Indian Stock Market Returns[1]

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I. Introduction

STOCK MARKETS ARE playing more than a prominent role during the 21st Century and a nation's economy is bindingly dependent on financial markets due to the cut throat economic competition among different countries. In the race to proclaim supremacy over the markets, the regulators, as well as market players, are adopting one or the other unique strategy every other day, perhaps even by the hour. Kumar (2010), in the thesis, found that Indian stock market during the onslaught of liberalization underwent many systemic changes which happened within a very brief period of the market. Yet, the study concluded by mentioning the retail investors who are still to play a major role in the equity segment similar to long-run investors, the reason being retail participation in India is minimal, as against the overall savings of households. The study also stated regarding drastic changes that took place in the work style and performance of the stock market before and after the transition in the liberalization process and economic slow down had affected the market which reduced the turnover, market cap as well as average share price of the Indian Stock Market. Therefore, regulations on finance, change in the legal system and the concerned institutions by raising the level of investors' confidence play a crucial role in the working of institutions and the financial markets (Demetriades & Andrianova, 2009). As the respected historian Dr Majumdar states, if literature is considered to be a fair reflection of the mass mentality, commerce and trade should have become a supreme urge in India during those centuries just before or after the Christian era. Thus, it is an indication of an ever-growing economy and a relentless

1 The Thesis was submitted to Bharathiar University, Coimbatore, in December 2019, for the award of Ph. D. Degree, awarded in November 2020, under the supervision of Dr. R. Venkataraman, Professor, Presidency College, Bengaluru, INDIA

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Submitted February 2021; *Accepted* April 2021

it a prime reason for much expectation from the investor towards the performance of the market. As no contagion effect was found in India to most international equity markets, it is found that foreign fund investors would like to take advantage of investing in Indian equities.Finally, Indian equity market is not vulnerable to any single influencer, domestic or international. This also exhibits the resilience of the Indian market amidst the effect of a host of varied influencers.

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