

# A STUDY OF ROLE AND FUNCTIONING OF STOCK BROKING AGENCIES

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## CHAPTER I

### INTRODUCTION

The term stock market refers to several exchanges in which shares of publicly held companies are bought and sold. Such financial activities are conducted through formal exchanges and via over-the-counter (OTC) marketplaces that operate under a defined set of regulations. Both “stock market” and “stock exchange” are often used interchangeably. Traders in the stock market buy or sell shares on one or more of the stock exchanges that are part of the overall stock market. The first stock market was the London Stock Exchange which began in a coffeehouse, where traders met to exchange shares, in 1773.<sup>3</sup> The first stock exchange in the United States began in Philadelphia in 1790.<sup>4</sup> The Buttonwood Agreement, so named because it was signed under a buttonwood tree, marked the beginning of New York’s Wall Street in 1792. The agreement was signed by 24 traders and was the first American organization of its kind to trade in securities. The traders renamed their venture the New York Stock and Exchange Board in 1817.<sup>5</sup> A stock market is a regulated and controlled environment. In the United States, the main regulators include the Securities and Exchange Commission (SEC) and the Financial

### Industry Regulatory Authority (FINRA)

The earliest stock markets issued and dealt in paper-based physical share certificates. Today, stock markets operate electronically.

### What Is the Significance of the Stock Market?

The stock market is a component of a free-market economy. It allows companies to raise money by offering stock shares and corporate bonds and allows investors to participate in the financial achievements of the companies, make profits through capital gains, and earn income through dividends. The stock market works as a platform through which savings and investments of individuals are efficiently channeled into productive investment opportunities and add to the capital formation and economic growth of the country.

### Function and purpose

The stock market is one of the most important ways for companies to raise money, along with debt markets which are generally more imposing but do not trade publicly. This allows businesses to be publicly traded, and raise additional financial capital for expansion by selling shares of ownership of the company in a public market.

The liquidity that an exchange affords the investors enables their holders to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as property and other immovable assets.

History has shown that the price of stocks and other assets is an important part of the dynamics of economic activity, and can influence or be an indicator of social mood. An economy where the stock market is on the rise is considered to be an up-and-coming economy. The stock market is often considered the primary indicator of a country's economic strength and development.

Rising share prices, for instance, tend to be associated with increased business investment and vice versa. Share prices also affect the wealth of households and their consumption. Therefore, central banks tend to keep an eye on the control and behavior of the stock market and, in general, on the smooth operation of financial system functions. Financial stability is the *raison d'être* of central banks.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

#### **RK Shukla, A Upadhyaya**

In Stock Broking Agencies has revealed that Customer Satisfaction in broking agencies is perceived significantly differently many of the services provided by the broking agencies.

#### **RK Shukla**

To Stock Broking Agencies to look into the expectation of the customers regarding shares and other issues. This research gives emphasis to the expectations of the customers of broking

#### **JA Oladimeji, O Aladejebi - Sch J Econ Bus Manag,**

From a sample size of 200 stock broking owners and managers using. The results shows that stock broking firms shows higher to the above definitions, there are several definitions .

#### **M Abduh, F Asfan - Economics, Business, and Islamic Finance**

Hence, Islamic Stockbroking service which can defined as wakalah (agency) service which Islamic stockbroking service are wakalah (agency) which is applied on stock broking service.

#### **AVN Murty, T Kiran, R Gupta - International Journal of 2013**

In stock trading as compare stock market and stock trading activities. Today the consumers have the advantage of authorized stock broking companies like Angel Broking

#### **MY Ng - 2012**

The scope of this study is confined to the stock broking industry in Malaysia. The issue that A sub-section describing the organisation of this thesis and definition of important terms.

#### **AT Karnawat**

This study shows stock broking company's financial performance and financial health analysis after SEBI introduce new peak margin regulation for traders on December 2020.

#### **D Ayuku - 2007**

Stock Broking firms to counter these challenges. The objective was to establish response strategies used by Stock. The population of study comprised of 18 active Stock Broking firms

**SW Leong**

Stockbroking industry, there is a need for these stockbrokingare made adequate in the stockbroking industry. The purpose of blockchain technology in the stockbroking industry.

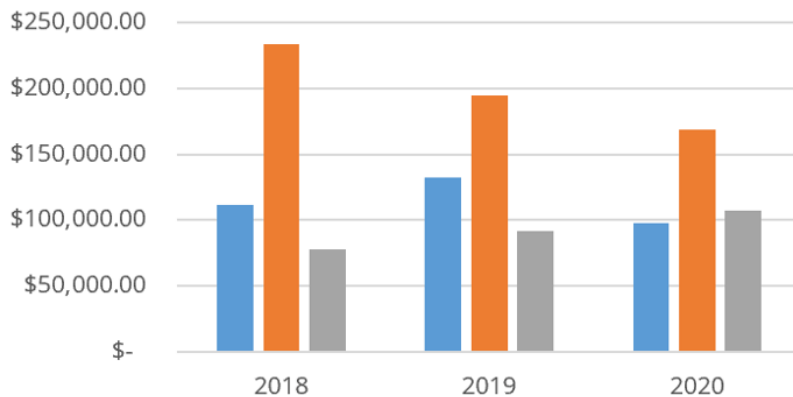
<b>Broker</b>	<b>Expert Rating</b>
Zerodha	9.36
Angel One	9.18
Upstox	9.16
HDFC Securities	9.15
Kotak Securities	9.03
ICICI Direct	9.00
Sharekhan	8.86
Motilal Oswal	8.82
IIFL / India Infoline	8.75
Groww	8.48

- Products Performance
- Customer Service
- Complaints Handling
- Pricing or Charges
- Experience

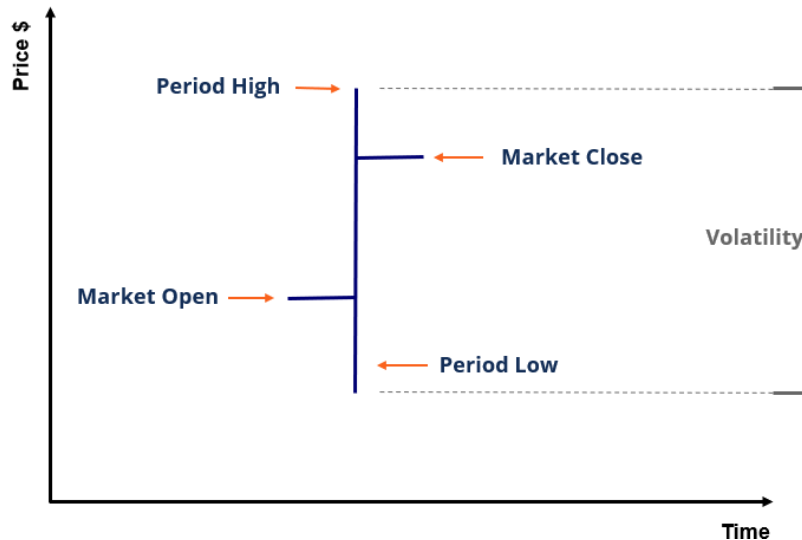
**CHAPTER IV**

**DATA ANALYSIS AND INTERPRETATIONS**

**Bar Chart (Data Visualization)**



## Bar Chart (Technical Analysis)



Bar charts in technical analysis are also referred to as open, high, low, and closing (OHLC). They are helpful in spotting trends, monitoring stock prices, and helping trading analysts make decisions.

### How Bar Charts are Used – Technical Analysis

Analysts use bar charts in technical analysis to help monitor price trends, volatility, security movement indicators, and more. These are used similarly to other charts in technical analysis like the Japanese candlestick to help trading analysts stay educated on their current or potential future investments.

The bar chart visually shows the opening, high, low, and closing prices of a security over a given period. The image below shows how to read a bar chart. The vertical line indicates the high and low prices of the period. The horizontal line to the left shows the market opening price, and the horizontal line to the right shows the market closing price.

It also shows the volatility of the security or asset over a given period which is the change between the period high and the period low. The volatility can be calculated by taking the period high and subtracting the period low.

If the period high and the period low are close together, the security would be considered relatively nonvolatile. Conversely, if the price difference between the period high and low is large, the security would be regarded as volatile.

If the market's opening price is below the closing price for the period, the bar chart will sometimes be colored green or black, representing security gain. Alternatively, if the market open is above the market close, the bar chart will sometimes be colored red to represent a loss on the security.

When comparing tens or hundreds of bar charts from period to period, analysts often find it helpful to use color-coding in order to understand the graph they are looking at more quickly.



## CHAPTER V

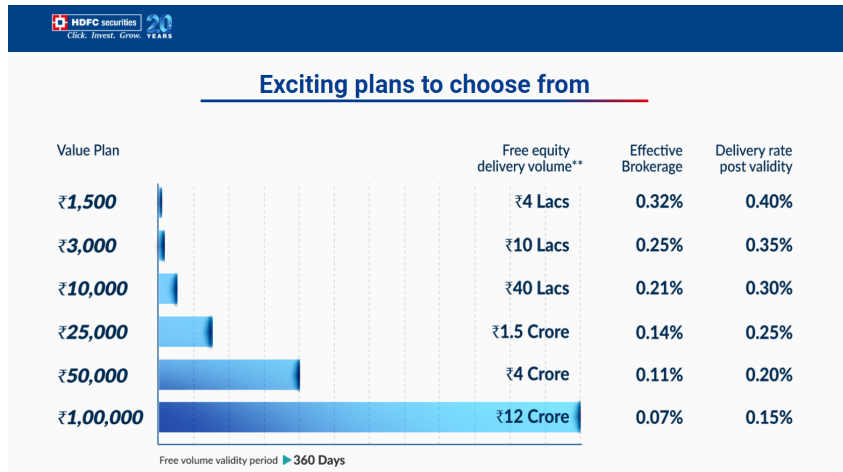
### FINDINGS, SUGGESTIONS AND CONCLUSION

Zerodha is a technology-centric stock broking company founded in 2010 by brothers Nithin Kamath and Nikhil Kamath. It is India’s first discount brokerage, widely credited for bringing in a disruptive force in Indian broking industry.

Here are a few key points and features to know about Zerodha stock broker:

- Long term investment/Delivery Brokerage Charges: Rs 0
- Mutual fund investments: ZERO Brokerage
- Intraday Charges: 0.01% or Rs 20 per executed trade (whichever is less)
- Account opening charge: Rs 200 (Additional Rs 100 for Commodity Account)
- Annual Maintenance Charge: Rs 300
- Services: Equity, Derivatives, Currency, Mutual Funds & Commodities

(Source: HDFC Securites)



## Conclusion

A stock exchange is an exchange where traders and stock brokers buy and sell shares of stock, bonds and other securities. It also offers facilities for issue and redemption of securities and other financial instruments. Stock issued by listed companies and unit trusts, bonds and pooled investment products can be traded on a stock exchange. A stock exchange functions as a 'continuous auction' market where transactions are conducted between the buyers and sellers. A stock exchange plays an important role in the economy. It helps to raise capital for business, mobilize savings for investment, facilitates the growth of companies, and enables profit sharing. It assists in creating investment opportunities for small investors, and raising capital for development projects taken up by the government. It acts as a barometer of the economy.

## REFERENCES

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3. <https://top10stockbroker.com/>
4. [https://scholar.google.com/scholar?hl=en&as\\_sdt=0%2C5&q=stock+broking+agencies+definitions&oq=stock+broking+agencies+defini](https://scholar.google.com/scholar?hl=en&as_sdt=0%2C5&q=stock+broking+agencies+definitions&oq=stock+broking+agencies+defini)
5. <https://tradebrains.in/best-stock-brokers-india/>