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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

A COMPARATIVE STUDY OF RISK AND RETURN: A CASE STUDY WITH REFERENCE TO IT, TELECOM & AUTO SECTOR COMPANIES

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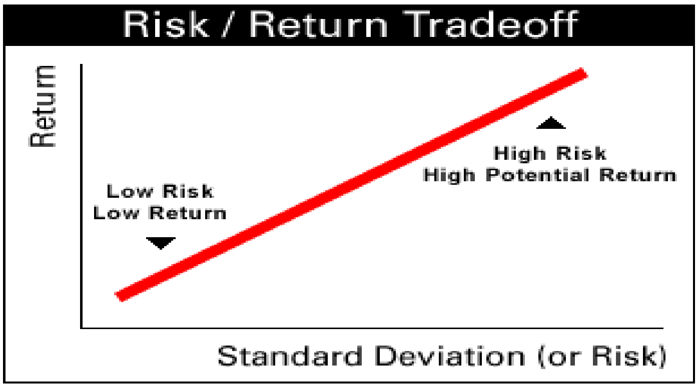
ABSTRACT
The objective of maximizing return can be obtained when one incurs higher risk before selecting a firm for investment, risk involves in the particular security and the return potential of the stock should be considered. Generally, the relationship of risk and return trade off prevails between the two companies selected from IT sector, Infosys Ltd. is highly recommended. Also, as far as the telecom sector companies under study are concerned Airtel Ltd. is better performing than Idea Cellular as Airtel is having better risk return trade off. Between the two companies of automobile industry, Bajaj is recommended in comparison with Hero Moto Corp. Based on the mean variance approach in the research it is concluded that the return of Infosys is more as compared to TCS Ltd. as well as Infosys is less risky as compared to TCS Ltd. The coefficient of variation of Infosys Ltd. is less as compared to TCS Ltd. Therefore, to invest in Infosys is highly recommended as far as IT sector is concerned. The return of AIRTEL is more as compared to IDEA CELLULAR. Also IDEA cellular is more risky than AIRTEL. The overall coefficient of variation of AIRTEL is lesser than IDEA CELLULAR. Therefore, the study reflects that as far as the telecom sector is concerned, it is better to invest in AIRTEL as compared to IDEA CELLULAR. In the given study the return of HERO MOTO CORP is less than BAJAJ Ltd. and BAJAJ Ltd. is less risky than HERO MOTO CORP also. Therefore, it is highly recommended to invest in BAJAJ Ltd as compared to HERO MOTO CORP.

KEYWORDS
Risk management, return.

INTRODUCTION
RISK
Risk is the main factor considered to determine return on the investment. Risk is the possibility that the actual return on the investment might be different from the expected return. Technically, we measure risk by using the statistical tool, standard deviation. Low risks are linked with low possible returns while high risks are linked with high possible returns. The risk return trade-off is an attempt to achieve a equilibrium between the lowest possible risk and the highest possible return.

The risk return trade-off theory is given graphically in the chart below. A higher standard deviation means a higher risk and therefore a higher possible return:

FIG. 1



There is a common misunderstanding that higher risk is always associated with higher return but it is not true. Higher risk may enhance the chances of higher return but it cannot work as a guarantee towards higher return. Just as risk means higher potential returns, it also means higher potential losses.

TYPES OF RISK
Unsystematic Risk: Company related risks due to higher costs, mismanagement, defective sales or inventory strategy, insolvency, fall in demand and company specific recession, labour problems etc.

Systematic Risk: Market related risk due to demand problems, interest rates, inflation, raw materials, import and export policy, and Tax policy etc., Business Risk, Market Risk, Financial Risk, Interest Rate Risk, and Inflation Risk etc.

THE MEASURES OF RISK FOR AN INVESTMENT ARE:
- Variance of rates of return
- Standard deviation of rates of return
- Coefficient of variation of rates of return (standard deviation/means)
- Covariance of returns with the market portfolio (beta)

The risk of an investment refers to the variability of its rate of return. How much do individual outcomes deviate from the expected value? A simple measure of dispersion is the range of values, which is simply the difference between the highest and the lowest values. Other measures commonly used in finance are as follows;

- ✓ **Variance:** This is the mean of the squares of deviations of individual returns around their average value.
- ✓ **Standard deviation:** This is the square root of variance.
- ✓ **Beta**: This reflects how volatile the return from an investment in response to market swings is.

RISK AND BETA

Risk is of two components - systematic market related risk and unsystematic risk or company specific risk. The former cannot be eliminated but managed with the help of Beta (β), which is explained as follows:

β = % age change of Scrip return / % age change of Market return

If β = 1, the risk, of the company is the same as that of the market and if β > 1, the company's risk is more than the market risk. If β < 1, the reverse is the position.

RISK MEASUREMENT

The statistical tool often used to measure and used as a proxy for risk is the standard deviation.

$$\sigma = \sqrt{\sum_{i=1}^{N} p\,(ri - E(r))^2}$$

$$Variance\,(\sigma^2) = \sum^{N} p(ri - E(r))^2$$

$$\text{Here}\quad \sigma = \sqrt{\text{Variance}\quad (\sigma^2)}$$

Where:-
P = is the probability of security
N = Number of securities in portfolio
ri = Expected return on security i

Expected Return of a Portfolio: It is the weighted average of the expected returns of the individual securities held in the portfolio. These weights are the proportions of total investable funds in each security.

$$Rp = \sum_{I=1}^{n} x_i R_i$$

Where:-
R_P = Expected return of portfolio
N = No. of Securities in Portfolio
X_I = Proportion of Investment in Security i.

RETURN

A major purpose of investment is to get a return or income on the funds invested. On a bond an investor expects to receive interest. On a stock, dividends may be anticipated. The investor may expect capital gains from some investments and rental income from some investments and rental income from house property. Return may take several forms.

MEASUREMENT OF RETURNS

The purpose of investment is to get a return or income on the funds invested in different financial assets. The most important characteristics of financial assets are the size and variability of their future returns. Since the return on years many methods were adopted for quantifying returns. In this study I considered only prices but not dividend in the calculation return because the investor's main motive to invest in shares is makes the profit from changes in prices of shares. That's why I calculated return from the prices of the shares only.

Return = (P1 – P0)/P0 **Where:** *** P1 = Closing price of the share,
*** P0 = Opening price of the share

RATE OF RETURN

The rate of return on an investment for a period (which is usually a period of one year) is defined as follows;

$$\textbf{Rate of return} = \frac{\textbf{Annual income + (Ending price – Beginning price)}}{\textbf{Beginning price}}$$

Two companies of four different sectors have been selected for the purpose of this study. The entire four sectors have an important role as a driving force for Indian growth engine.

These sectors are Information technology, Telecom and Automobile. All four sectors have a different perspective in terms of risk and return.

The companies of the above mentioned four sectors, considered here are Infosys and TCS from IT sector, Airtel and Idea Cellular from telecom sector and Hero Moto Corp and Bajaj from automobile sector.

REVIEW OF LITERATURE

Every investment is characterized by risk and return associated with it. The investment decisions of investors have great impact of these two factors.

This review of literature evidences many studies that were conducted in the field of accessing the risk and return associated with different individual firms and sectors.

Risk measurement and analysis has been a critical issue for any investment decision because risk can be transferred but cannot be eliminated from the system. The nature and degree of risk varies from industry to industry (Srivastava A, 2012).

The essence of risk in an investment is the variation in its return. This variation in returns is caused by number of factors. These factors which produce variations in the returns from an investment constitute the element of risk (Kevin S., 2012).

The study of risk and return continues to be an area of vital importance for researchers; however, the theorizing and empirical findings in this area continue to present a series of problems (Mukherji A et al., 2008).

According to Mullen and Roth (1991), "risk is the existence of states beyond the decision maker's control that affect the outcome of his or her choices. The degree of risk is a function of the size of the potential loss and the probability of that loss".

According to March, J. (1994), "For decision makers, the notion of risk is closely associated with the concept of return, and variations around a return. When considering risk, a decision is seen as a joint function of the expected value (or mean) and the riskiness (the variance) of the probability distribution over outcomes conditional on choice of a particular alternative."

According to Prajapati K.P. and Patel M.K. (2012), "As risk is commensurate with return, therefore, providing maximum return on the investment made within the acceptable associated risk level helps in segregating the better performers from the laggards."

The mean gives the expected value and the variance or standard deviation gives the variability. This widely used procedure for assessing risk is known as the mean variance approach (Kevin S., 2012).

According to Srivastava A (2012), "Risk measurement and analysis has been a critical issue for any investment decision because risk can be transferred but cannot be eliminated from the system. The nature and degree of risk varies from industry to industry."
According To Vikkraman P and Vardharajan P (2009), "The objective of maximizing return can be pursued only at the cost of incurring risk. While selecting the firm for investment, the investor has to consider both the return potential and the risk involved."
According To Vikkraman P and Vardharajan P (2009) "The security with a beta value of more than 1 for the particular year or a period is considered to be more risky than the market, and the asset with a lower than 1 beta is less risky than the market."
It is important to know the risk-return characteristics of quoted firms in the stock market to enable investors take rational investment decisions (Bello A.I. and Adedokun L.W.)
The present study offers a systematic procedure that could form a cornerstone for providing further insights on the investment made in specific industries by using mean variance approach.

RESEARCH METHODOLOGY

PERIOD OF STUDY

This study is conducted for entire one month, i.e., from January 1 to January 31, 2014.
The stock price where taken from the NSE. Stock price has been used for calculating mean return, standard deviation and coefficient of variation.
The objectives for calculating mean return, standard deviation and coefficient of variation is to help the investors to arrive at a decision of invest in the shares which offer maximum return with minimum risk and also to gain knowledge of the stock market .the findings and suggestion certainly would be help the investors.

TOOLS FOR EVALUATION: STATISTICAL TOOLS FOR EVALUATIONS

- Standard deviation (δ)(Risk)
- Variance (SD) *(SD)
- Co-efficient of variation (CV)
- Average Return.

SAMPLE SELECTION: SAMPLES SELECTED ARE LISTED IN NIFTY INDEX

Randomly two companies are selected for this study each from three selected industries.

TYPE OF COMPANY	SELECTED
INFO. TECH.	2
TELECOM.	2
AUTOMOBILE.	2

The source of data for the Research Project is mainly secondary data which was collected from the websites, documents, which were in printed forms like annual reports, pamphlets, etc.

OBJECTIVES

- To evaluate the risk of selected Equity shares.
- To evaluate the return of selected Equity shares.
- To compare the risk involved in each company of the selected sector.
- To compare the return of each company of the selected sector.
- To find out which security is better to be invested by comparing the coefficient of variation.

DATA ANALYSIS

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for TCS Ltd.

TABLE 1: TCS LTD.

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	2225.1	2241.05	0.716822	0.641228	0.411173
30/01/14	2198.05	2217.6	0.889425	0.813831	0.66232
29/01/14	2240	2209.8	-1.34821	-1.42381	2.02723
28/01/14	2232	2212.35	-0.88038	-0.95597	0.913879
27/01/14	2226	2229.6	0.161725	0.086131	0.007419
24/01/14	2244	2248.7	0.209447	0.133853	0.017917
23/01/14	2268.1	2252.45	-0.69	-0.7656	0.586142
22/01/14	2287.1	2274.05	-0.57059	-0.64619	0.417556
21/01/14	2334	2280.3	-2.30077	-2.37637	5.647112
20/01/14	2218.95	2338.2	5.374163	5.298569	28.07484
17/01/14	2298	2213.05	-3.69669	-3.77229	14.23015
16/01/14	2380	2350.3	-1.2479	-1.32349	1.751634
15/01/14	2342.45	2353.6	0.475997	0.400403	0.160323
14/01/14	2372	2326.75	-1.90767	-1.98327	3.933347
13/01/14	2285	2368.75	3.665208	3.589614	12.88533
10/1/2014	2260	2280.9	0.924779	0.849185	0.721115
9/1/2014	2228.75	2241.95	0.59226	0.516666	0.266944
8/1/2014	2212	2232.65	0.933544	0.85795	0.736079
7/1/2014	2240	2206.15	-1.51116	-1.58675	2.517791
6/1/2014	2229	2239.6	0.47555	0.399956	0.159964
3/1/2014	2164.7	2222.2	2.656257	2.580663	6.659823
2/1/2014	2166	2167	0.046168	-0.02943	0.000866
1/1/2014	2180.1	2153.3	-1.2293	-1.3049	1.702752
			1.738661		84.4917
			0.075594		3.673552
				S.D.=	1.916651
				Coefficient of Variation	25.35456

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for Infosys Ltd.

TABLE 2: INFOSYS LTD.

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	3700	3701.1	0.02973	-0.30326	0.091969
30/01/14	3703.7	3704.25	0.01485	-0.31814	0.101216
29/01/14	3666	3717.8	1.412984	1.07999	1.166379
28/01/14	3707	3675.1	-0.86053	-1.19353	1.424509
27/01/14	3720	3732.2	0.327957	-0.00504	2.54E-05
24/01/14	3765	3758.15	-0.18194	-0.51493	0.265156
23/01/14	3784.1	3792.5	0.221981	-0.11101	0.012324
22/01/14	3741.2	3765.9	0.660216	0.327222	0.107074
21/01/14	3750	3758.35	0.222667	-0.11033	0.012172
20/01/14	3712	3749.3	1.004849	0.671855	0.451389
17/01/14	3729	3729.75	0.020113	-0.31288	0.097895
16/01/14	3699	3725.05	0.704244	0.37125	0.137827
15/01/14	3695.3	3712.05	0.453278	0.120284	0.014468
14/01/14	3645	3686.75	1.145405	0.812411	0.660011
13/01/14	3582	3665	2.317141	1.984147	3.93684
10/01/14	3490	3551.25	1.755014	1.42202	2.022142
9/1/2014	3440	3450.8	0.313953	-0.01904	0.000363
8/1/2014	3461	3428.1	-0.95059	-1.28359	1.647594
7/1/2014	3519.05	3457.15	-1.759	-2.09199	4.376428
6/1/2014	3575.1	3517.9	-1.59996	-1.93295	3.736293
3/1/2014	3475	3565.15	2.594245	2.261251	5.113254
2/1/2014	3463.25	3480.55	0.499531	0.166537	0.027735
1/1/2014	3492	3468	-0.68729	-1.02028	1.04097
			7.658856		26.44403
			0.332994		1.149741
				S.D.	1.07226
				Coefficient of Variation	3.22006

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for Hero Moto Corp.

TABLE 3: HERO MOTO CORP

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	1956	1969.2	0.674847	0.886906626	0.786603
30/01/14	2094	1998.1	-4.57975	-4.367691671	19.07673
29/01/14	2015.1	2071.5	2.798869	3.010928543	9.065691
28/01/14	2014.7	2013.15	-0.07693	0.135125469	0.018259
27/01/14	2029.7	2016.75	-0.63803	-0.425965324	0.181446
24/01/14	2049	2036.65	-0.60273	-0.390673041	0.152625
23/01/14	2065	2053.6	-0.55206	-0.339998111	0.115599
22/01/14	2071	2059.9	-0.53597	-0.32391296	0.10492
21/01/14	2091.1	2068.05	-1.10229	-0.89023066	0.792511
20/01/14	2080	2086	0.288462	0.500521538	0.250522
17/01/14	2078.85	2075.75	-0.14912	0.062939092	0.003961
16/01/14	2076.25	2076.65	0.019266	0.231325503	0.053511
15/01/14	2040.1	2073.5	1.637175	1.849234648	3.419669
14/01/14	2036	2037.2	0.058939	0.270999096	0.073441
13/01/14	2032.05	2037	0.243596	0.455656368	0.207623
10/1/2014	2063.05	2039.1	-1.1609	-0.948842547	0.900302
9/1/2014	2069.45	2068.3	-0.05557	0.156489679	0.024489
8/1/2014	2075	2064.65	-0.4988	-0.286735181	0.082217
7/1/2014	2071.1	2069	-0.1014	0.110664606	0.012247
6/1/2014	2101.05	2068.9	-1.53019	-1.318127287	1.73746
3/1/2014	2075.05	2101.05	1.252982	1.465041856	2.146348
2/1/2014	2089	2080.55	-0.4045	-0.192439761	0.037033
1/1/2014	2083	2085.85	0.136822	0.348881892	0.121719
			-4.87728		39.36492
			-0.21206		1.711518
				S.D.	1.30825
				Coefficient of Variation	-6.16937

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for Bajaj Auto Ltd.

TABLE 4: BAJAJ AUTO LTD.

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	1915	1901.5	-0.704960836	-0.76568554	0.58627435
30/01/14	1909	1920.85	0.620743845	0.560019138	0.313621435
29/01/14	1950	1912.95	-1.9	-1.96072471	3.844441377
28/01/14	1906.8	1944.7	1.987623243	1.926898536	3.712937969
27/01/14	1920	1912.8	-0.375	-0.43572471	0.18985602
24/01/14	1934.7	1931.7	-0.1550628	-0.21578751	0.046564248
23/01/14	1949	1939.05	-0.510518214	-0.57124292	0.326318475
22/01/14	1944	1949.7	0.293209877	0.23248517	0.054049354
21/01/14	1935	1942.4	0.382428941	0.321704234	0.103493614
20/01/14	1938.2	1931.5	-0.34568156	-0.40640627	0.165166054
17/01/14	1907.75	1933.45	1.347136679	1.286411972	1.654855763
16/01/14	1900	1907.75	0.407894737	0.34717003	0.12052703
15/01/14	1874	1894	1.067235859	1.006511152	1.013064699
14/01/14	1888	1870.55	-0.924258475	-0.98498318	0.970191868
13/01/14	1895.25	1895.8	0.029019918	-0.03170479	0.001005194
10/1/2014	1905.2	1900.3	-0.257190846	-0.31791555	0.101070299
9/1/2014	1914.2	1909.45	-0.248145439	-0.30887015	0.095400767
8/1/2014	1894.9	1918.3	1.234893662	1.174168955	1.378672735
7/1/2014	1880	1889.95	0.529255319	0.468530612	0.219520935
6/1/2014	1896	1888.3	-0.406118143	-0.46684285	0.217942247
3/1/2014	1893	1895.55	0.134706815	0.073982108	0.005473352
2/1/2014	1918	1900.05	-0.935870699	-0.99659541	0.993202403
1/1/2014	1915	1917.4	0.125326371	0.064601664	0.004173375
			1.396668252		16.11782356
			0.060724707		0.700774937
				S.D.	0.837123
				Coefficient of Variation	13.78554211

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for Idea Cellular Ltd.

TABLE 5: IDEA CELLULAR LTD.

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	141.2	143.5	1.628895184	2.31267758	5.34847761
30/01/14	137.9	140.45	1.849166062	2.53294846	6.41582791
29/01/14	139.25	139.9	0.466786355	1.15056876	1.32380846
28/01/14	148	139.2	-5.94594595	-5.26216355	27.6903652
27/01/14	151.4	144.8	-4.35931308	-3.67553068	13.5095258
24/01/14	153.75	152.45	-0.84552846	-0.16174606	0.02616179
23/01/14	153.6	154.2	0.390625	1.0744074	1.15435126
22/01/14	154	153.8	-0.12987013	0.55391227	0.3068188
21/01/14	154.85	152.9	-1.25928318	-0.57550078	0.33120114
20/01/14	151.4	153.95	1.684280053	2.36806245	5.60771978
17/01/14	155.35	151	-2.80012874	-2.11634634	4.47892184
16/01/14	167.5	156.05	-6.8358209	-6.1520385	37.8475777
15/01/14	167.55	168.1	0.328260221	1.01204262	1.02423027
14/01/14	161.5	167.25	3.560371517	4.24415392	18.0128425
13/01/14	161	161.9	0.559006211	1.24278861	1.54452353
10/1/2014	161	161.2	0.124223602	0.808006	0.6528737
9/1/2014	160.55	160.45	-0.06228589	0.62149651	0.38625791
8/1/2014	163	161.5	-0.9202454	-0.236463	0.05591475
7/1/2014	159	162.1	1.949685535	2.63346793	6.93515336
6/1/2014	162.05	159.25	-1.72786177	-1.04407937	1.09010173
3/1/2014	160.1	162.5	1.499063086	2.18284549	4.76481441
2/1/2014	169	160.6	-4.9704142	-4.2866318	18.3752122
1/1/2014	167.9	168.05	0.089338892	0.77312129	0.59771653
			-15.726996		157.480398
			-0.68378243		6.84697383
				S.D.	2.6166722
				Coefficient of Variation	-3.82676137

The table given below is showing the calculations of mean return, standard deviation and coefficient of variation for Airtel Ltd.

TABLE 6: AIRTEL LTD.

Date	Open	Close	Return	X= (x-a)	X^2
31/01/14	310	315	1.612903226	1.84864906	3.41750333
30/01/14	302	308.65	2.201986755	2.43773258	5.94254016
29/01/14	310	301.9	-2.61290323	-2.3771574	5.65087728
28/01/14	306.9	306	-0.29325513	-0.0575093	0.00330732
27/01/14	307.9	306.9	-0.32478077	-0.08903494	0.00792722
24/01/14	313	313.14	0.044728435	0.28047426	0.07866581
23/01/14	309	314.65	1.828478964	2.06422479	4.261024
22/01/14	305.2	309.75	1.490825688	1.72657152	2.98104921
21/01/14	311	304.9	-1.96141479	-1.72566896	2.97793336
20/01/14	311.1	308.55	-0.81967213	-0.5839263	0.34096993
17/01/14	316	310.9	-1.61392405	-1.37817822	1.89937521
16/01/14	332.95	315.55	-5.22600991	-4.99026408	24.9027356
15/01/14	329.9	331.5	0.484995453	0.72074128	0.519468
14/01/14	331	327.95	-0.92145015	-0.68570432	0.47019042
13/01/14	330	331	0.303030303	0.53877613	0.29027972
10/1/2014	327	330.55	1.085626911	1.32137274	1.74602592
9/1/2014	332.4	329.6	-0.8423586	-0.60661277	0.36797906
8/1/2014	333	332.4	-0.18018018	0.05556565	0.00308754
7/1/2014	330.5	331.7	0.363086233	0.59883206	0.35859984
6/1/2014	328.5	329.35	0.258751903	0.49449773	0.24452801
3/1/2014	328	329.35	0.411585366	0.6473312	0.41903768
2/1/2014	338	328.7	-2.75147929	-2.51573346	6.32891484
1/1/2014	331	337.75	2.039274924	2.27502075	5.17571943
			-5.42215408		68.3877389
			-0.23574583		2.97337995
				S.D.	1.72434913
				Coefficient of Variation	-7.31444172

COMBINED TABLE

COMPANY	MEAN RETURN	STANDARD DEVIATION	COEFFICIENT OF VARIATION
IT Sector			
INFOSYS LTD	0.332994	1.07226	3.220058019
TCS LTD	0.075594	1.916651	25.35453872
COMPANY	**MEAN RETURN**	**STANDARD DEVIATION**	**COEFFICIENT OF VARIATION**
Telecommunications Sector			
IDEA CELLULAR	-0.6837824	2.6166722	-3.826761555
AIRTEL	-0.23574583	1.72434913	-7.314441702
COMPANY	**MEAN RETURN**	**STANDARD DEVIATION**	**COEFFICIENT OF VARIATION**
Automobile Sector			
BAJAJ LTD	0.060724707	0.837123	13.78554202
HERO MOTO CORP	-0.21206	1.30825	-6.169244553

CONCLUSION

The objective of maximizing return can be obtained when one incurs higher risk before selecting a firm for investment, risk involves in the particular security and the return potential of the stock should be considered.

Generally, the relationship of risk and return trade off prevails between the two companies selected from IT sector, Infosys Ltd. is highly recommended.

Also, as far as the telecom sector companies under study are concerned Airtel Ltd. is better performing than Idea Cellular as Airtel is having better risk return trade off.

Between the two companies of automobile industry, Bajaj is recommended in comparison with Hero Moto Corp.

Based on the mean variance approach in the research, following is the detailed conclusion:

1. The return of Infosys is more as compared to TCS Ltd. as well as Infosys is less risky as compared to TCS Ltd.

The coefficient of variation of Infosys Ltd. is less as compared to TCS Ltd. Therefore, to invest in Infosys is highly recommended as far as IT sector is concerned.

2. The return of AIRTEL is more as compared to IDEA CELLULAR. Also IDEA cellular is more risky than AIRTEL.

The overall coefficient of variation of AIRTEL is lesser than IDEA CELLULAR. Therefore, the study reflects that as far as the telecom sector is concerned, it is better to invest in AIRTEL as compared to IDEA CELLULAR.

3. In the given study the return of HERO MOTO CORP is less than BAJAJ Ltd. and BAJAJ Ltd. is less risky than HERO MOTO CORP also.

Therefore, it is highly recommended to invest in BAJAJ Ltd as compared to HERO MOTO CORP.

ASSUMPTIONS OF THE STUDY

- This study assumes than an investor purchases the share at the beginning of the month and he sells the share at the end of the month.
- Investors make the decision on the basis of previous returns and risks that are unsystematic risks.
- The investors give preference to the securities that have given positive returns previously.
- The research is based on secondary data.

LIMITATIONS OF THE STUDY

- This study is limited to some selected industries **(Telecommunication, Information technologies &Automobile)**
- Dividend is not considered in the calculation of Return. Price change is only taken into consideration.
- Situations in stock market are always subject to change.
- Detailed study of the topic was not possible due to the limited size of the project

- There was a constraint with regard to time allocated for the research study.
- The availability of information in the form of annual reports & price fluctuations of the companies was a big constraint to the study.

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