

PERFORMANCE OF LARGE CAP SHARE AND SMALL CAP SHARE: A COMPARATIVE STUDY OF SELECTED COMPANIES' SHARES

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ABSTRACT

When stock market indexes are highly fluctuating and show some positive and negative trend at that time Investor is always in dilemma that which company's share he should purchase? Should he purchase shares from Private Sector or Public Sector? Should he invest in large cap shares or small share cap shares? Should he purchase penny stock or stock which have small value or should go for large amount share? Infact many factors we should consider while taking decision for investment in Share like history of company, growth prospects, track record dividend bonus, sentiments of market, economic environment etc. but no body has perfection in share market price forecasting. Many research houses provide projection but the same trend can not be observed. Then, the question arise what to do? In this research paper an attempt has been made to check performance stock price movement of selected large cap shares and small cap shares and we are come out with solution for the confused investors. This paper will give insight to investor how they should behave in case of bullish or bearish trends of stock index. Most of the finding and suggestions made here will be quite useful to the present investors and future investor for long term benefit and wealth maximization.

Keywords : Large Cap, Small Cap, Stock Market Performance

INTRODUCTION

At the outset let's understand the term capitalization, large cap and small cap. The market capitalization of company is defined as "number of outstanding share multiplied by market price of each share." For example X Co has issued 1 Crore shares each of face value Rs.10 and the current market price of the share is Rs.50 then capitalization of that company is Rs.50 Crore. Large cap is stock of a company having a market capitalization over Rs.500 Crores. Small cap means different thing to different people, the common criteria in the Indian context are companies with market capitalization up to Rs. 150 crores. Here, cap refers to capitalization.

About Stock Exchange

Stock Exchanges are market place where securities that have been listed thereon may be bought and sold for either investment or speculation. Stock exchange provides market place purchase and sale of securities like, share, bonds, and debentures. Stock exchange act as barometer of the state of health of individual companies as well as economy. It facilitates speculation and directs the flow of capital in the profitable channels. It provides the linkage between the saving in house hold sector and investment in corporate economy. At stock exchange the share of new concern are registered and existing Company sell their share through broker at Stock exchange. The exchange is helpful in raising capital both new and old concern. At Stock exchange only listed securities are purchased. A critical examination of capital structure management and prospects of company is requiring for the listing. Every company desire of listing its security will apply to the exchange. Industrial growth and economic development of the country is promoted by encouraging industrial investment. Thus, it is the barometer of economic progress in the country and exercise powerful influence as business activity.

There are 23 stock exchanges working in India. Bombay Stock Exchange and the National Stock Exchange are two most important stock exchange of the Indian stock market.

Bombay Stock Exchange is the oldest Stock Exchange in Asia. In 1956, the BSE became the first Stock Exchange under Securities (Regulation) Act. It is the 5th largest exchange in the world. BSE's trading system is popularly known as BOLT (BSE's online trading system). BSE listed derivatives on the exchanges include stock futures and options, index futures and options and weekly options.

NSE Established in 1991. NSE is the second largest Exchange in Asia. NSE is the largest and most advanced exchange situated in Mumbai with 1016 companies listed and 726 trading members. In NSE equity or share, future, option, wholesaler debt market and retail products are traded. It can be divided in the three of segments. Wholesaler Debt Market (WDM), Capital Market (CM), and Futures and Options (F & O) Market. All trades entered in to National Exchange for Automated Trading (NEAT) system.

RESEARCH METHODOLOGY

SCOPE OF RESEARCH STUDY

The present study is undertaken to study performance of the large cap and small cap share of 20 companies. Following are the classification of sample companies with their relevant sector and capitalization size.

	Private Sector	Public Sector
LARGE	1. L&T	11. BHEL
	2. ITC	12. SBI
	3. Bharti Airtel Ltd.	13. NTPC
	4. Reliance Ind. Ltd.	14. ONGC

	5. Reliance Comm	15. IOC
SMALL	6. Elecon Engg. Ltd.	16. HMT Ltd.
	7. HDIL	17. ITI Ltd.
	8. Arvind Ltd.	18. IFCI
	9. Tele Data Info. Ltd	19. TFCI
	10. Triveni Engg. Ltd.	20. PFC Ltd.

For the study, large cap share selected on basis of highest capitalization as on 31st December 2008, and small cap share selected on the purposive basis. The small cap selected on purposive basis. To check the performance we have also considered sales of the selected units have been examined for the period from 1-1-2007 to 31-12-2008 i.e. two years. The Indian stock market was bullish in the year 2007 and bearish in the year 2008, many changes taken place in this period, therefore this period has been selected. The said research work is “Analytical” in nature and based on secondary data only which was collected from www.nseindia.com.

FORMULATION OF HYPOTHESIS

Following are the broad hypothesis of the study

H₀ (Null Hypothesis): There is no significant difference in the performance of large cap and small cap shares

H₁ (Alternative Hypothesis): There is significant difference in the performance of large cap and small cap shares.

PERFORMANCE OF LARGE CAP SHARE AND SMALL CAP SHARE

What is the performance of sample Large cap and small cap shares during the study period has been described in following passage. Data relating to Sales, EPS of sample companies have been compared with the share price and trends of the same identified.

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Private Co's Sales (Rs.in 10 crore)	505.05	465.34	519.78	562.83	631.69	657.92	701.17	578.77
Inc/Dec. (%)	100.00	92.14	102.92	111.44	125.07	130.27	138.83	114.60
Private Co's Share Price Average	422.42	514.07	636.67	852.85	624.85	501.71	492.32	341.38
Inc/Dec. (%)	100.00	121.70	150.72	201.90	147.92	118.77	116.55	80.82

Private Co's Sales and Average Share price

Table – 1 Private Co's Sales And Average Share price

Table 1 reveals how sales affect its share price during the study period. In first quarter of 2007 sales decrease by 7.86% but average share price was rise by 21.69%. However in 3 and 4 quarter of 2007 sales increase by 20.95% compare to last quarter and share price also goes up by 65.90%. In first three quarter of 2008 sales increase by 24.58% but share price fall by 42.27%. In the last quarter of 2008 sales decline by 17.45% and share price also decline by 30.65%. So the effect of change in sales on share price is different in different month sometimes sales rise share price also rise sometimes sales may be fall or rise but share price fall. It is found that there is no relation between average sales and average share price movement of private companies.

Public Co's Sales And Average Share Price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Public co's Sales (Rs.in 10 crore)	933.65	918.88	910.15	1032.23	1137.55	1245.43	1373.16	1215.48
Inc/Dec. (%)	100.00	98.42	97.48	110.56	121.84	133.39	147.07	130.19
Public co's Share Price Average	378.28	471.44	603.27	774.52	566.95	404.44	497.45	418.53
Inc/Dec. (%)	100.00	124.63	159.48	204.75	149.88	106.92	131.50	110.64

Table – 2 Public Co's Sales and Average Share price

Table No.2 indicate that how the sales of public companies affect it's share price in all 8 quarter starting from of 1-1-2007 to 31-12-2008. In first 2 quarter of 2007 sales decrease from Rs. 933.65 crores to Rs. 910.15 crores i.e. 2.52% only but share price rise from Rs. 378.28 to Rs. 603.27 i.e. 59.47%. However, in 4th quarter both sales and share price get higher but in first 3 quarter of 2008 sales increase by 33.02% but share price go down by 35.77%. In last quarter of 2008 on the date 31-12-2008 sales and share price both fall by 11.48% and 15.86% respectively. The study shows that there is negative co-relation between average sales and average share price movement of public companies.

Large Co's Sales and Average Share Price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Large Co's Sales(Rs.in 10 crore)	1339.05	1348.67	1390.03	1554.95	1720.68	1864.24	2031.22	1753.16
Inc/Dec. (%)	100.00	100.72	103.81	116.12	128.50	139.22	151.69	130.93
Large Co's Share Price Average	704.30	867.34	1098.28	1415.15	1069.13	833.53	926.74	713.86
Inc/Dec. (%)	100.00	123.15	155.94	200.93	151.80	118.35	131.58	101.36

Table – 3 Large Co's Sales and Average Share Price

Table No.3 point out how the sales of large cap companies affect its share price in all 8 quarter initiating from 1-1-2007 to 31-12-2008. In first 4 quarter of 2007 both sales and average share price increase by 16.12% and 100.93% respectively. First two quarter of 2008 sales increase from Rs. 1554.95 crores to Rs. 1864.24 crores i.e. 19.89% but the decrease in share price from Rs. 1415.15 to Rs. 833.53 i.e. 41.09%. In the 3rd quarter of 2008 share price increase by 11.18% and sales also increase by 8.95% than that of 2nd quarter and in last quarter of 2008 sales and share price are decline. The study indicates no co-relation between average sales and average share price movement of large cap companies.

Small Co's Sales and Average Share Price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Small Co's Sales (Rs.in 10 crore)	54.605	35.551	39.900	40.112	48.515	39.119	43.111	41.094
Inc/Dec. (%)	100.00	65.11	73.07	73.46	88.85	71.64	78.95	75.26
Small Co's Share Price Average	60.18	74.18	141.66	212.22	122.67	72.62	63.03	46.05
Inc/Dec. (%)	100.00	123.27	235.39	352.65	203.84	120.67	104.74	76.53

Table – 4 Small Co's Sales And Average Share Price

Table 4 shows how change in sales of small cap companies affect the share price in all 8 quarter starting from of 1-1-2007 to 31-12-2008. In 2007 sales decrease in 2nd quarter from Rs. 54.60 crores to Rs. 35.55 crores i.e. 34.98% and then increase from Rs. 35.55 crores to Rs. 39.90 crores in 3rd quarter and Rs. 40.11 crores in 4th quarter i.e.12.95% and in all quarter of 2007 share price increase from Rs. 60.18 to Rs. 74.18 in 2nd quarter, Rs. 141.46 in 3rd quarter and Rs. 212.22 in 4th quarter and shows net increase of 252.64%. The reverse trend observes in 2008 for share price. In 2008 sales increase in 1st quarter by 20.94% decrease in 2nd quarter by 19.38% then increase in 3rd quarter by 10.23% and decrease in 4th quarter by 4.87%. On the other hand average share price decrease from Rs. 212.22 to Rs. 122.67 in 1st quarter, Rs. 72.62 in 2nd quarter, Rs. 63.03 in 3rd quarter, and Rs. 46.05 in 4th quarter show a net decrease of 78.30%. It is found from the study that there is no relation between average sales of small cap companies and average share price of small companies

Private Co's Sales and Average Share price

Particular	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Private Co's EPS	9.63	12.49	13.42	9.89	9.25	9.14
Inc/Dec (%)	100.00	129.75	139.39	102.70	96.05	94.93
Private Co's Average Share Price	636.67	852.85	624.85	501.71	492.32	341.38
Inc/Dec (%)	100.00	133.96	98.14	78.80	77.33	53.62

Table – 5 Private Co's EPS And Average Share Price

Table 5 shows the EPS and average share price of private companies during the study period. In 3rd quarter of 2007 average EPS of private companies was Rs.9.63 and average share price was Rs. 636.67. In 4th quarter EPS was increase by 29.75% and average share price was rise by 33.96%. In 1st quarter of 2008 EPS increase but share price falled by 26.73%. During last 3 quarter of 2008 average EPS of all private companies was around Rs.9 but share price movement was steady in 2nd and 3rd quarter but it decline by 31.95% in last quarter.

Public Co's EPS And Average Share price

Particular	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Public Co's EPS	11.94	11.27	9.40	9.11	3.37	11.68
Inc/Dec (%)	100.00	94.40	78.74	76.31	28.26	97.83
Public Co's Average Share Price	603.27	774.52	566.95	404.44	497.45	418.53
Inc/Dec (%)	100.00	128.39	93.98	67.04	82.46	69.38

Table-6 Public Co's EPS And Average Share price

Table 6 indicate EPS and average share price of public companies in the year 2007 and 2008. The EPS of public companies Rs. 11.94 in 3rd quarter and then decline to Rs. 11.27 in 4th quarter, on the other hand average share price of public companies increase by Rs. 603.27 in 3rd quarter, Rs. 774.52 in 4th quarter i.e.28.39%. On the other hand in 2008 EPS decline from Rs. 11.27 to Rs. 9.40 and Rs. 9.11 in first and second quarter i.e.19.16% and share price decline from Rs. 774.52 to Rs. 566.95 and Rs. 404.44 in first and second quarter i.e.47.80%. EPS decline in 3rd quarter to Rs. 3.37 and again rise to Rs. 11.68 in 4th quarter by 246.58%. Share price in 3rd quarter increase to Rs. 497.45 in 3rd quarter and again decline to Rs. 418.53 in 4th quarter by 15.89%.

Large Co's EPS And Average Share price

Particular	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Large Co's EPS	17.80	21.00	18.16	16.80	10.72	19.68
Inc/Dec (%)	100	117.96	102.04	94.36	60.24	110.55
Large Co's Average Share Price	1098.28	1415.15	1069.13	833.53	926.74	713.86
Inc/Dec (%)	100.00	128.85	97.35	75.89	84.38	65.00

Table-7 Large Co's EPS And Average Share price

Table 7 shows EPS and the average share price of large cap companies in the year 2007 and 2008. In 3rd quarter of 2007 EPS of selected large company was Rs.17.80 and average share price was Rs.1098.28. In 4th quarter EPS was increase by 17.97% and average share price was rise by 28.85%. In 2008 EPS decline from Rs. 21 to Rs. 18.16 in 1st quarter, Rs. 16.80 in 2nd quarter, and Rs. 10.72 in 3rd quarter i.e. 48.95% and

then again rise to Rs. 19.68 i.e. 83.58% on the other hand average share price decline to Rs. 1069.13 in 1st quarter, and Rs. 833.53 in 2nd quarter i.e. 41.13% and then again rise to Rs. 926.74 by 11.16% and at the last quarter decline to Rs. 713.86 i.e. 23%.

Small Co's EPS And Average Share price

Particular	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Small Co's EPS	3.51	2.77	4.66	2.20	1.90	1.14
Inc/Dec (%)	100	78.80	132.69	62.75	54.12	32.52
Small Co's Average Share Price	141.66	212.22	122.67	72.62	63.03	46.05
Inc/Dec (%)	100.00	149.82	86.60	51.26	44.50	32.51

Table-8 Small Co's EPS And Average Share price

Table 8 indicate EPS and average share price of small cap companies in the year 2007 and 2008. The EPS of small cap companies Rs. 3.51 in 3rd quarter and then decline to Rs. 2.77 in 4th quarter i.e. 21.08% and average share price rise from Rs. 141.66 to Rs. 212.22 i.e.49.82%. While in the year 2008 reverse trend observe share price decline continuously from Rs. 212.22 to Rs. 122.67 in 1st quarter, Rs. 72.62 in 2nd quarter, Rs. 63.03 in 3rd quarter, and Rs. 46.05 in 4th quarter and shows a net decline of 78.30% but on the same quarter 1st quarter of 2008 EPS rise from Rs. 2.77 to Rs. 4.66 i.e. 66.06% then decline to Rs. 2.20 , Rs. 1.90, Rs. 1.14 in 2nd, 3rd and 4th Quarter by 75.53%

Nifty And Private Co's Average Share price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Inc/Dec (%)	100.00	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Private Co's Share Price Average	422.42	514.07	636.67	852.85	624.85	501.71	492.32	341.38
Inc/Dec (%)	100.00	121.70	150.72	201.90	147.92	118.77	116.55	80.81

Table – 9 Nifty And Private Co's Average Share price

Table No. 9 indicates the Nifty and average share price of private companies for 8 quarter years 2007 and 2008. During the first four quarter Nifty increase by 60% and share price also follow the same trend and increase by 101.89%. The reverse trend observed in 2008 Nifty decrease in 1st quarter by 22.83% and average share price reduce by 26.76% more than decrease in Nifty. In 2nd quarter decrease in Nifty by 14.58% and share price decline by 19.71% from Rs.624 to Rs. 501. In 3rd quarter of 2008 share price decrease by 1.80% and decrease in Nifty by 2.97%. Same happened in 4th quarter share price decrease and

Nifty also decrease by 30.69% and 24.74% respectively. Thus, there was a continuous fall in the Nifty up to last quarter. It is decrease up to 77% and share price also follows the same trend and slashed up to 80%.

Nifty And Public Co's Average Share price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Inc/Dec (%)	100.00	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Public Co's Share Price Average	378.28	471.44	603.27	774.52	566.95	404.44	497.45	418.53
Inc/Dec (%)	100.00	124.63	159.48	204.75	149.88	106.91	131.50	110.64

Table – 10 Nifty And Public Co's Average Share price

Table No. 10 shows the Nifty and average share price of public companies for 8 quarter years 2007 and 2008. The Nifty increase from 3821.55 to 6138.6 up to 4th quarter and indicate a net growth of 60.63% which influence average share price and continuously increase from Rs. 378.28 to Rs. 774.52 up to 4th quarter and shows a net increase of 104.76%. Quite opposite in 2008 Nifty fall continuously decline from 6138.6 to 2959.15 up to 4th quarter shows a net decline of 51.87% and average share price decline from Rs. 774.52 to Rs. 418.53 by 45.96%.

Nifty & Large Co's Average Share price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Inc/Dec (%)	100.00	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Large Co's Share Price Average	704.30	867.34	1098.28	1415.15	1069.13	833.53	926.74	713.86
Inc/Dec (%)	100.00	123.15	155.94	200.93	151.80	118.35	131.58	101.36

Table – 11 Nifty & Large Co's Average Share price

Table 11 shows Nifty and the large cap companies average share price and in 8 quarter from 1-1-2007 to 31-12-2008. During the first four quarter Nifty increase by 60% The average share price of large cap companies in 1st quarter of 2007 was Rs. 704.30 and rise in 2nd quarter to Rs. 867.34, Rs. 1098.28 in 3rd quarter, Rs. 1415.15 in 4th quarter and indicate a net increase of 100.93% On the other hand in the year 2008 Nifty decline from 6138.6 on 31-12-2007 to 2959.15 on 31-12-2008 and net declining was 51.87% and share price declined from Rs. 1415.15 on 31-12-2007 to Rs. 833.53 on 30-6-2008 and then increase Rs. 926.74 by 11.18% and again decline to Rs. 713.86 by 23%.

Nifty & Small Co's Average Share price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Inc/Dec (%)	100.00	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Small Co's Share Price Average	60.18	74.18	141.66	212.22	122.67	72.62	63.03	46.05
Inc/Dec (%)	100.00	123.27	235.39	352.65	203.84	120.67	104.74	76.53

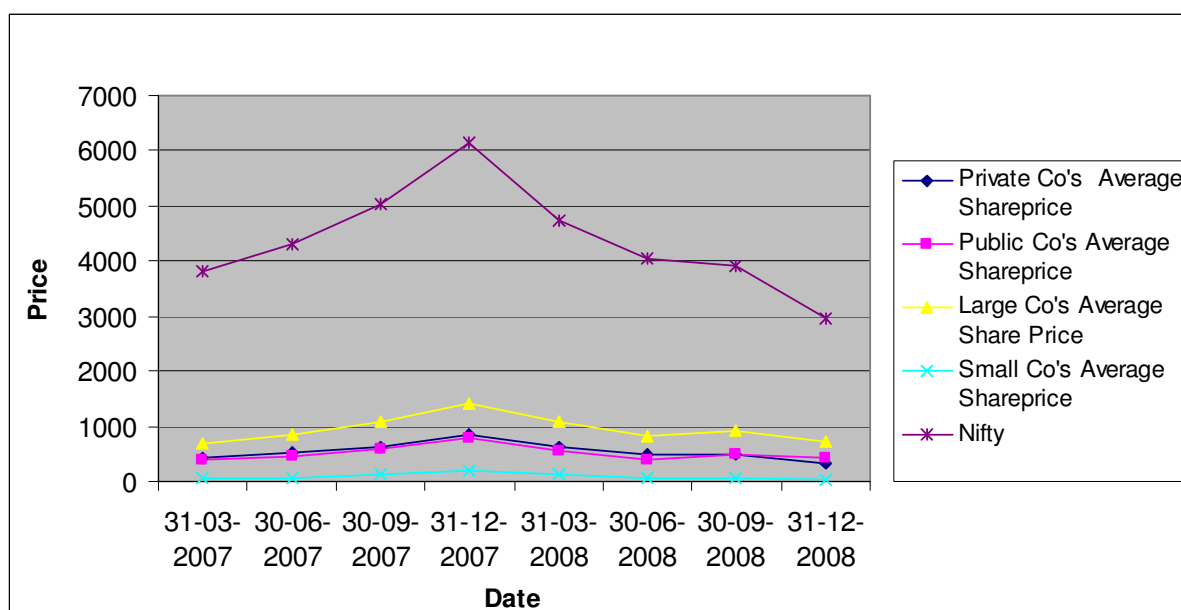
Table – 12 Nifty & Small Co's Average Share price

Table 12 reveals Nifty and the average share price of small cap companies in the all 8 quarter of year 2007 and 2008. During the first four quarter Nifty enhance by 60% and share price also follow the same trend and increase by 252.65%. Quite opposite in 2008 Nifty fall continuously decline from 6138.6 to 4734.5 in 1st quarter, 4040.55 in 2nd quarter, 3921.2 in 3rd quarter and 2959.15 in 4th quarter show a net decline of 51.87% and average share price decline from Rs. 212.22 to Rs. 46.05 by 78.34%. Thus, there was a continuous fall in the Nifty for last quarter it is decrease up to 77% and share price also follows the same trend and slashed up to 76.53%.

Nifty and All Co's Average Share price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Nifty Inc/Dec.(%)	100	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Private Co's Average Share Price	422.42	514.07	636.67	852.85	624.85	501.71	492.32	341.38
Private Co's Inc/Dec.(%)	100	121.70	150.72	201.90	147.92	118.77	116.55	80.82
Public Co's Average Share Price	378.28	471.44	603.27	774.52	566.95	404.44	497.45	418.53
Public Co's Inc/Dec.(%)	100	124.63	159.48	204.75	149.88	106.92	131.50	110.64
Large Co's Average Share Price	704.29	867.34	1098.28	1415.14	1069.12	833.53	926.74	713.85
Large Co's Inc/Dec.(%)	100	123.15	155.94	200.93	151.80	118.35	131.59	101.36
Small Co's Average Share Price	60.18	74.18	141.65	212.22	122.66	72.61	63.03	46.05
Small Co's Inc/Dec.(%)	100	123.26	235.38	352.64	203.82	120.65	104.74	76.52

Table-13 Nifty And All Co's Average Share price



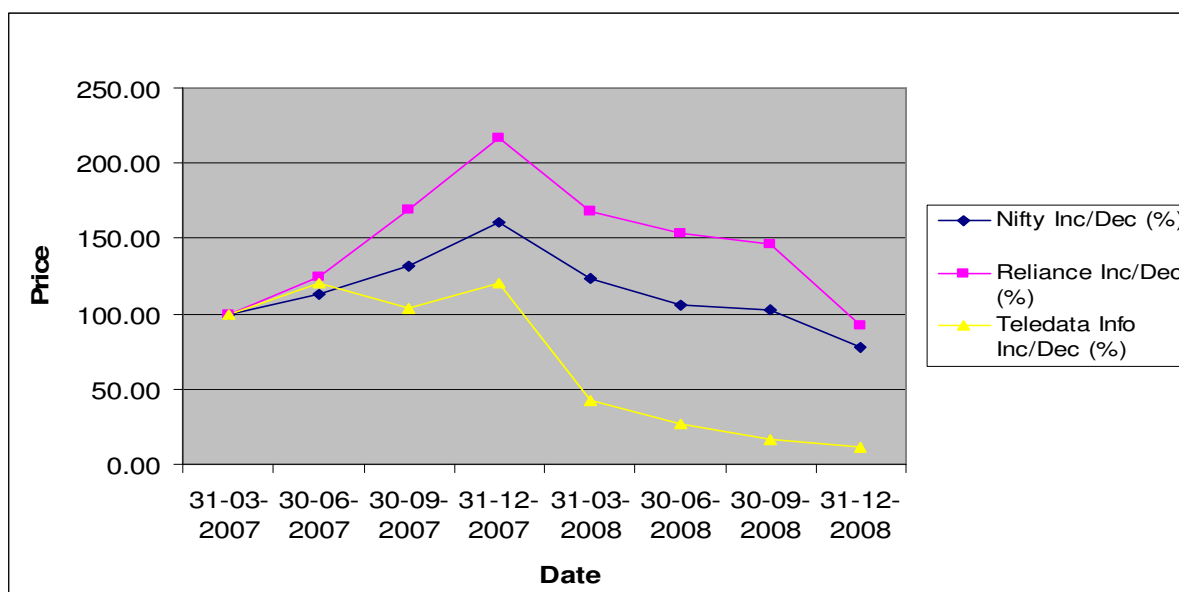
Graph No. 1 Nifty And All Co's Average Share price

Table 13 shows the movement of Nifty and average share price of sample companies. During the first four quarter Nifty increase by 60% then continuous fall in the Nifty up to last quarter. It is decrease up to 77%. The first four quarter of 2007 the average share price of private companies goes up from Rs. 422.42 to Rs. 852.85 i.e. 101.90% then after it decline from Rs. 852.85 to Rs.341.38 i.e. 59.97%. The average share price of public and large cap companies continuous rise from 31-3-2007 to 31-12-2007 and the all quarter of 2008 show a changeable trend rise by 1 time and fall by 3 times. In all quarter of 2007 the average share price of small cap companies increase from Rs. 60.18 to Rs. 74.18 in 2nd quarter, Rs.1414.66 in 3rd quarter and Rs. 212.22 in 4th quarter and shows net increase of 252.64% and then diminish from Rs. 212.22 to Rs. 46.05 i.e. 78.30%. The study indicate positive co-relation between Nifty and private, public, large and small companies average share price. However, public companies average share price and large companies average share price decline at a lesser rate compare to private and small companies average share price.

Nifty and Movement of Reliance and Tele Data Info Share Price

Particular	31-03-2007	30-06-2007	30-09-2007	31-12-2007	31-03-2008	30-06-2008	30-09-2008	31-12-2008
Nifty	3821.55	4318.3	5021.35	6138.6	4734.5	4040.55	3921.2	2959.15
Inc/Dec (%)	100.00	113.00	131.40	160.63	123.89	105.73	102.61	77.43
Reliance	1360.25	1699.80	2296.00	2950.00	2284.00	2090.00	1986.50	1255.05
Inc/Dec (%)	100.00	124.96	168.79	216.87	167.91	153.65	146.04	92.27
Tele Data Info	57.05	68.70	59.30	68.85	24.00	15.50	9.50	6.40
Inc/Dec (%)	100.00	120.42	103.94	120.68	42.07	27.17	16.65	11.22

Table – 14 Nifty And Movement of Reliance and Tele Data Info. Share price



Graph No. 2 Nifty And Movement of Reliance And Tele Data Info. Share price

Table 14 reveals the movement of Nifty and share price of Reliance Ltd. and Tele Data Info during the study period. It can be seen that Nifty in the year 2007 was in increasing trend and it increase by 60% on 31-12-2007, but share price of Reliance Company was increased by 116.87% and share price of Tele Data increase by 20%. But thereafter share price decrease up to 92% of Reliance and that of Tele Data up to 11.22%. It shows that share price of small value share decrease more compare to high value share.

FINDING AND SUGGESTIONS

It is found from the study that no co-relation between average sales and average share price movement of large cap and small cap companies. The study indicates during 2007 share price of all large cap and small cap of private and public sector shows upward trend as Nifty increases. In the year 2008 share price of large cap and small cap of private sector and public sector was in decline trend as Nifty decline. The study indicates positive co-relation between Nifty and private, public, large and small companies average share price. However, public companies average share price and large companies average share price decline at a lesser rate compare to private and small companies average share price.

In downward trend of Nifty one should pick up public companies shares because study shows it declines at lower rate compare to private companies shares. The study shows that better to pick up large cap shares compared to small cap shares when, there is heavy volatility in the share market. It is not true that large amount of shares is costly and does not give more return compare to small or tiny shares. Study shows better to pick up large amount share.

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