

R/B/G

Internship Report on
**"EFFECT OF SOVEREIGN CREDIT RATING ON EQUITY RETURN: A
STUDY CONDUCTED AT ADITYA BIRLA MONEY, BELTHANGADY"**

BY

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USN: 4AL15MBA01



SUBMITTED TO

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM

In partial fulfillment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

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BELTHANGADY.



DEPARTMENT OF MBA

**Alva's Institute of Engineering and Technology
Shobhavana campus, Mijar, Moodbidri**

2015-2017

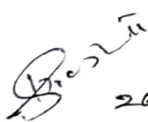
ADITYA BIRLA



MONEY

"TO WHOM SO EVER IT MAY CONCERN"

This is to certify that **Mr. AKSHAY KUMAR** bearing **USN-4AL15MBA01** bonafide student doing his MBA at **ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY, MOODBIDRI**, has undergone a project **"EFFECT OF SOVEREIGN CREDIT RATING ON EQUITY RETURN** in our organization from 2nd January 2017 to 10th March 2017. His character and Conduct is uniformly good. He deserved all the Encouragement.


26/04/2017

Authorized Signatory

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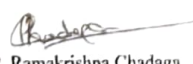
Date: 15-May-2017


CERTIFICATE

This is to certify that **Mr. Akshay Kumar** bearing USN 4AL15MBA01 is a bonafide student of Master of Business Administration course of the Institute (2015-17), affiliated to Visvesvaraya Technological University, Belgaum.

The internship report on "Effect of Sovereign credit rating on equity return: A Study Conducted at Aditya Birla Money, Belthangady" is prepared by him under the guidance of **Dr. Nagendra S.**, Associate Professor, Department of MBA in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belgaum, Karnataka.


Dr. Nagendra S.
Project Guide


Prof. P. Ramakrishna Chadaga
Dean - MBA


Dr. Peter Fernandes
Principal

DECLARATION

I, **Akshay Kumar**, hereby declare that the internship report entitled “**Effect of sovereign credit rating on equity return**”, A study conducted at **Aditya Birla Money Ltd, Belthangady**” prepared by me under the guidance of **Dr. Nagendra S, Associate Professor**, Department of Business Administration, Alva’s Institute of Engineering and Technology and external assistance by **Mr. Prashanth Kumar**, Stock Broker, Aditya Birla Money Ltd, Belthangady.

I also declare that this internship work is towards the partial fulfillment of the university regulation for the award of the degree of Masters of Business Administration by of Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of 10 weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University/ Institution.

Place: Mijar

Date: 15 /May/2017



Signature of the student

ACKNOWLEDGEMENT

Completion of a task by shaping and achieving the objective is often a result of valuable contribution from number of individuals directly or indirectly.

Firstly I thank almighty God for showering his choicest blessing and keeping me in good health throughout the tenure of the project.

Hereby I make a humble effort to place on record, my sense of gratitude and sincerity to all my well-wishers for the help I received for the successful completion of my project report.

I am deeply indebted to my faculty guide **Dr. Nagendra S**, Associate Professor, Department of Business Administration, for his regular supervision and valuable suggestions. I am thankful to **Mr. Prashanth Kumar**, Stock Broker, Aditya Birla Money, Belthangady and his staff for granting permission and providing requisite information regarding the project.

It's my privilege to thank our beloved principal **Dr. Peter Fernandes** for giving me the opportunity to take up this project. My profound gratitude to all the faculty members of the Department of Business Administration, Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

Finally I extend my gratitude to my parents and friends for their constant co-operation, encouragement and support without which this work would not have completed successfully.

AKSHAY KUMAR

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EXECUTIVE SUMMARY

Credit rating estimates credit worthiness of corporation, individual and country. It is been calculated through financial history. It is the evaluation made by credit rating agencies of debtor's ability to pay back debt and likelihood of default. It is been determined by credit rating agencies. It represents the credit rating agencies evaluation of quantitative and qualitative information for a government and company. Credit rating agency uses their judgment and experience in determining what the private and public information should be considered in rating particular company. Credit rating used by the individuals who purchase bonds issued by the companies. The proposed study focuses on Effect of sovereign credit rating on equity return. It establishes a link between risk and return. This study is made on 118 companies of 8 different industries which includes both high debt and low debt companies. And these companies are listed in BSE which makes easier to the researcher to understand. This study is conducted for 41 day event window. The date after announcement is taken as +20 and before announcement is taken as -20.