

M/13/G

Internship Report on  
**IMPACT OF INTEREST RATE CHANGE ON INDIAN STOCK MARKET**  
**A STUDY CONDUCTED AT ADITYA BIRLA MONEY LTD, KADUR**

BY  
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Submitted to  
**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGUM**  
*In partial fulfillment of the requirements for the award of the degree of*  
**MASTERS OF BUSINESS ADMINISTRATION**

*Under the guidance of*

**INTERNAL GUIDE**

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**Associate Professor**  
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**EXTERNAL GUIDE**

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**Alva's Institute of Engineering and Technology**  
**Shobhavana Campus, Mijar, Moodbidri 2015-2017**



## ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY

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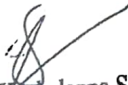
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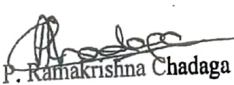
Date: 10-May-2017

### Certificate

This is certified that **Mr. Shashikumara GM bearingUSN 4LV15MBA26** is a bonafide student of Master of Business Administration course of the Institute (2015-17), affiliated to Vishvesvaraya Technological University, Belgaum.

The internship report on **Impact of Interest Rate Changes on India Stock Market: A Study Conducted at Aditya Birla Money Limited, Kadur** is prepared by him under the guidance of **Dr. Kushalappa S, Associate Professor, Department of MBA** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Vishvesvaraya Technological University, Belgaum, Karnataka.

  
Dr. Kushalappa S.  
Project Guide

  
Prof. P. Ramakrishna Chadaga  
Dean - MBA

  
Dr. Peter Fernandes  
Principal

**ADITYA BIRLA**



**MONEY**

Date: 10-3-2017

**"To Whom So Ever it May Concern"**

This is to certify Mr. Shashikumar G.M (4LV15MBA26) bonafide student doing his MBA at Alva's Institute of Engineering and Technology, Moodbidri, Karnataka has doing a project titled "Impact on Interest rate changes on Indian Stock Market" in our Organization From 2<sup>nd</sup> January 2017 to 10<sup>th</sup> March 2017. His Character and Conduct is Uniformly Good. He deserves all Encouragement.

K. A. Amarnath

Authorized Signatory

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## DECLARATION

I, **Shashikumara**, hereby declare that the internship report entitled “**Impact of interest rates changes on Indian stock market a study conducted at Aditya Birla Money ltd, kadur, Chikkamagaluru**” prepared by me under the guidance of **Dr. Kushalappa S, Associate Professor**, Department of Business Administration, Alva's Institute of Engineering and Technology and External assistance by **Mr. KA Amaranath**, Branch Manager, Aditya Birla Money ltd, Kadur.

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 Vishvesvaraya 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

*Shashikumara C-M.*  
Signature of the student.

Date: 16 /May/2017.

## 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. Kushalappa S**, Associate Professor, Department of Business Administration, for his regular supervision and valuable suggestions. I am thankful to Mr. Amaranath, Branch Manager, Aditya Birla Money, kadur 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 a Dean and all the faculty members of the Department of Business Administration, Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

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**Shashikumara GM**

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## EXECUTIVE SUMMERY

Interest rate is the amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets. Interest rates are typically noted on annual basis, known as the annual percentage. The assets borrowed could include, cash, consumer\_goods, large assets, such as a vehicle or building. Interest is essentially a rental, or leasing charge to the borrower, for the asset's use. In the case of a large asset, like a vehicle or building, the interest rate is sometimes known as the "lease rate". When they will usually be charged a low interest rate; if the borrower is considered high risk, the interest rate that they are charged will be higher.

The study has been undertaken by Aditya Birla money limited. The study comprises the abnormal returns of 139 individual stocks listed in the Bombay stock Exchange (BSE). This study takes into an announcement of the interest rate period 2013 to 2016. The concept of impact of interest rate announcement and capital market reaction, the literature review, the data sources involved, the research methodology used, result of abnormal return is explained in detail. The study makes an attempt to analyze the performance of various stocks on the date of interest rate announcement, during the announcement of all the year. The study is conducted for different companies under different industries and it shown reflect the all the industries as shown negative and positive result in the all the event window period.