

12/15/17

Internship Report on
**MARKET REACTION TO STOCK SPLITS-EVIDENCE FROM INDIAN STOCK
MARKET**

A STUDY CONDUCTED AT SHAREKHAN LTD, SHIVAMOGGA

BY

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Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM

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

MASTER OF BUSSINESS ADMINISTRATION

Under the guidance of

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Branch Manager

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Department of MBA

Alva's Institute of Engineering and Technology

Shobhavana campus, Mijar, Moodbidri

2015-2017



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This is to certify that Mis. ASHWINI SA, Reg No. 4AL15MBA06, IV Sem. A student of Master of Business Administration (MBA) from ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY, MIJAR, MOODBIDRI, MBA Programme, has undertaken a project work titled "MARKET REACTION TO STOCK SPLIT - EVIDENCE FROM INDIAN STOCK MARKET" in Sharekhan Ltd., Shimoga from 02-jan-2017 to 10-03-2017 in our organisation.

She is successfully completed the project work and submitted the report on the same time.

During this period his enthusiastic and has appetite to learn. We wish her all the success in her work and future endeavors.



Mubashir Akhtar
Branch Manager.



Sharekhan Ltd.

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Sharekhan Ltd.: BSE Cash INR011073351; FAO INR011073351; NSE - INR011073330; CD - INR231073330; MCX Stock Exchange: CD - INR241073330 DP; NSDL IN-DP-NSDL-233-2003; CDIL IN-DP-CDIL 271 2004; PMS INR000000442; Mutual Fund: ARN 20449. For any complaints email at info@sharekhan.com; Investing in equities & currency derivatives involves risk. Please carefully read the risk disclosure document as prescribed by SEBI & relevant exchanges.

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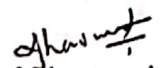
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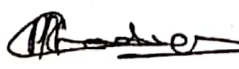
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Certificate

This is to certified that Ms. Ashwini S A bearing USN 4AL15MBA06 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 **Market Reaction To Stock Splits-Evidence From Indian Stock Market: A Study Conducted At Sharekhan Ltd, Shivamogga** is prepared by her under the guidance of Prof. Dharmanand Montadka, Assistant 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.


Prof. Dharmanand. M
Project Guide


Prof. P. Ramakrishna Chadaga
Dean - MBA


Dr. Peter Fernandes
Principal

DECLARATION

I here, by declare that the **"Internship report on M/s. Sharekhan Ltd"** is a record of work carried out by me, towards partial fulfillment of the **requirement for MBA** course of Vishvesvaraya Technological University. This study is prepared by me under the guidance of **Prof. Dharmanand M, Assistant Professor**, Department of Management Studies, Alva's engineering and technology, Mijar and external assistance of **Mr. Subbhayya, Branch Manager, Sharekhan Ltd, Shivamogga.**

I also declare that this Internship work is towards partial fulfillment of the university regulation for the award of degree of **Master of Business Administration** by **Visvesvaraya Technological University, Belgavi.**

I have under gone internship for a period of We further declare that this report is based on original study undertaken by me and has not been submitted in for the award of any other degree or diploma of any other institute or university.

Date: 15/05/2017

Place: Mijar

Ashwini SA
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.

I wish to express my heartfelt gratitude to a number of people who have been associated with me throughout this project. At the outset I would like to acknowledge my gratitude to **Prof. Ramakrishna Chadaga**, Dean of Department of Business Administration.

I am deeply indebted to my faculty guide **Prof. Dharmanand**, Assistant Professor, Department of Business Administration, for his regular supervision and valuable suggestions. I am thankful to **Mr. Subbhayya**, Branch Manager, M/S Sharekhan Ltd and his staff for granting permission and providing requisite information regarding the project.

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Ashwini SA

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EXECUTIVE SUMMERY

Stock splits play an active role in the economy and growth of the company. Securities exchange translates a stock part as an announcement of certainty by the organization. It translates part as a flag from the organization that it is certainty about its future development. A stock split or stock separation expands the quantity of shares in an organization. The cost is balanced with the end goal that the previously, then after the fact advertise capitalization of the organization continues as before and weakening does not happen. The prime reason of stock split is to diminish the market cost to the share, to draw in little financial specialists. As such, the organizations give more extensive and stable market to its stock. Share split is the main path through which an organization can increment or diminish the money profit per share proportionately. The study concluded that there is no impact of the stock splits announcement on the share prices of various the companies during the short term period.

The study has been undertaken at Sharekhan Ltd at Shivamogga. The study comprises the sample of 68 individual stocks listed in the National stock Exchange (NSE). This study takes into account historical stock split announcement of last 4 years. The price behavior for the stock split announcement for each of the four years and finally based on the average data of four years is studied and accordingly the conclusion is being drawn. As the figures of mean abnormal returns for post announcement period are positive for most of the windows in almost all the years under study and the result shows the insignificant impact on the stock split announcement on stock returns.