

**A PROJECT REPORT ON**  
**‘A STUDY ON REACTION OF STOCK MARKET FOR THE RELEASE OF**  
**CORPORATE YEARELY RESULTS’**

*Submitted by*

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*Submitted to*



**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM.**

*In partial fulfilment of the requirement for the award of the degree of*

**MASTER OF BUSINESS ADMINISTRATION**

*Under the guidance of*

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**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY**

**MAY 2018**

Date: 21-04-2018

**TO WHOM SO EVER IT MAY CONCERN**

This is to certify that **Mr. PRATHVIRAJ PRABHAKAR SHETTY**, USN No. **(4AL16MBA37)** a student of **ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY, MIJAR, MOODBIDRI** (affiliated to **Visvesvaraya Technological University, Belgaum**) has done his Project report on **"Reaction of Stock Market for the release of Corporate Yearly Results"** at **"ANANDRATHI SHARES & STOCK BROKERS LIMITED"** from **15th January 2018 TO 23<sup>rd</sup> March 2018** under the guidance of **Mr. POWDHAN S SHETTY**.

During the period his has shown keen interest in his work and his conduct

Was found good.

We take this opportunity to wish him all success in his future endeavors.

**For Anand Rathi Share & Stock Brokers Limited.**



**Authorized Signatory**



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### CERTIFICATE

It is hereby certified that **Mr. PRATHVIRAJ PRABHAKAR SHETTY** bearing USN: **4AL16MBA37** is a bonafide student of the Master of Business Administration course of the Institute (2016-18), affiliated to Visvesvaraya Technological University, Belgaum.

The project report on “**A STUDY ON REACTION OF STOCK MARKET FOR THE RELEASE OF CORPORATE YEARLY RESULTS**” is prepared by him under the guidance of **Prof. YOGESH DIXIT**, assistant Professor, Department of MBA, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration under Visvesvaraya Technological University, Belgaum, and Karnataka.

Prof. Yogesh dixit  
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Prof. P Ramakrishna Chadaga  
Dean – MBA

Dr. Peter Fernandes  
Principal

### DECLARATION

I, **Prathviraj prabhakar shetty**, hereby declare that the Project report entitled "**A Study on reaction of the stock market for the release of corporate yearly results**" with reference to "**Anand rathi share and stock brokers ltd**" prepared by me under the guidance of prof. Yogesh Dixit, faculty of M.B.A Department, Alva's Institute Of Technology and Engineering and external assistance by Mr.Powdhan shetty. I also declare that this Project work is towards the partial fulfilment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of Twelve 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: 25-05-2018

*Prathviraj*

Signature of the student

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I take this opportunity to express my deep sense of gratitude to all those who have contributed significantly by sharing their knowledge and experience in the completion of this project work. I thank them for providing the right kind of opportunity and facilities to complete this project.

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PRATHVIRAJ PRABHAKAR SHETTY

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## **EXECUTIVE SUMMERY**

Investors assign a great deal of significance to announcement of earnings reports as it reflects the financial performance of the company and is an indicator of the future direction of the company. Earnings announcement provide the market participants with the single most important piece of public information by which they can evaluate the performance of a firm. The market is filled with anticipation at the time when financial result of a company are to be announced as they form the basis for revalidation of the future growth prospects of a company which would be reflected in a buy, hold or sell strategy. Thus, the adjustment of stock price to the announcement of earnings reports is an important empirical issue.

The study has been undertaken at Anand rathi share and stock brokers limited Mangalore. The study comprises of 185 individual stocks listed in the Bombay stock Exchange (BSE) announced earnings announcement during the period from 2012 to 2017. The study makes an attempt to analyze the performance of various stocks on the date of earnings announcement, during the past twenty days before the announcement and twenty days after the earnings announcement. The concept of impact of earning announcement and stock market reaction, the literature review, the research methodology used, result of hypotheses tested are explained in detail.