

# **Financial Analytics**

## **Project Report**

# Project Details

**Project Title : Financial Analytics**

**Technologies : Data Science**

**Domain : Finance**

**Programming Language : Python**

**Tools : Jupyter Notebook, Excel, Power BI**

# Information of Dataset

1. Mar Cap - Crore: Market Capitalisation in Crore
2. Sales Qtr - Crore: Sales Quarterly in Crore

# What Is Market Capitalization?

Market capitalization, often referred to as "market cap," is a measure used to gauge the size or value of a publicly traded company. It's calculated by multiplying the company's current stock price by the total number of outstanding shares of its stock. In simpler terms, it's like figuring out the total value of all the company's shares combined.

Here's a breakdown:

**Stock Price:** This is the current price at which a single share of the company's stock is being traded on the stock market. It fluctuates based on various factors such as company performance, market conditions, and investor sentiment.

**Outstanding Shares:** These are all the shares of a company's stock that have been issued and are held by investors, including individuals, institutions, and insiders. Outstanding shares don't include shares that are held as treasury stock (stock that the company buys back from the market).

When you multiply the stock price by the number of outstanding shares, you get the market capitalization. This figure gives investors an idea of the overall value of the company in the eyes of the market.



Market capitalization is often used to categorize companies into different size classes:

**Large-cap:** These are companies with a market capitalization typically over ₹70,000 crore. They are usually well-established, with a long history of successful operation. Large-cap companies often have diversified business interests, stable revenue streams, and may pay dividends to shareholders. Examples include companies like Reliance Industries, Tata Consultancy Services (TCS), and HDFC Bank.

**Mid-cap:** These companies have a market capitalization usually between ₹14,000 crore and ₹70,000 crore. They are considered to have a balance between growth potential and stability. Mid-cap companies might operate in industries with room for expansion, innovation, or consolidation. They can offer investors opportunities for growth, but they may also face higher volatility compared to large-cap stocks. Examples include companies like Titan Company, Voltas, and Biocon.

**Small-cap:** These are companies with a market capitalization typically under ₹14,000 crore. They are often newer or smaller companies with higher growth potential but also higher risk. Small-cap companies might operate in niche markets, emerging industries, or have innovative business models. While they can offer significant growth opportunities, they are also more susceptible to economic downturns and market volatility. Examples include companies like Indian Hotels Company Limited (IHCL), Jubilant FoodWorks, and TeamLease Services.

# What is Quarterly Sales?

Quarterly sales, also known as quarterly revenue or quarterly sales revenue, is the total amount of money a company makes from selling its products or services during a three-month period. It's like checking how much money a store makes in a season, but for a company, it's every three months.

Here's a breakdown:

**Timing:** Companies often break down their financial performance into quarters, each covering three months. These quarters typically align with the calendar year: January to March (Q1), April to June (Q2), July to September (Q3), and October to December (Q4).

**Calculation:** To find quarterly sales, you add up all the money earned from selling products or services during that specific three-month period. This includes sales to customers, clients, or other businesses.

**Importance:** Quarterly sales are a key measure of a company's performance and health. They show how well a company is doing at generating revenue over time and can indicate trends in customer demand, market conditions, and overall business growth.





Comparison: Companies often compare their quarterly sales to previous quarters or the same quarter in previous years to see if they're improving, staying steady, or facing challenges. Investors also look at these numbers to gauge how well a company is doing and make decisions about buying or selling its stock. In simple terms, quarterly sales tell us how much money a company is bringing in during a specific three-month period, helping us understand its financial health and performance.

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# Conclusion

This project was about using a specific set of data with only a few pieces of information to figure out how companies compete with each other. It was a chance for me to improve my Python coding abilities and get more creative with visualizing data using Power BI.



**Thank You**