HUMAN COMPUTER INTERACTION UE17CS424

PROJECT TITLE :SAFETRADE

NEEDFINDING

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NEED FINDING

- Many traders invest in stock trading in hopes of gaining wealth only to loose all the money without having prior knowledge about the stock market.
- SafeTrade solves this by limiting the amount of money and how many times a person can trade in a day so the trader doesn't lose all the money.

NEED FINDING

- Invest only in the beginning and get experience. Do not spend a very big amount on the stake.
- Anyway, there should be a big investment in the market together and one part of their capital should be invested regularly.
- If you are a new player then understand your risk. Early investment decisions can be wrong. The good shares in the tsunami of the market are also flowing.
- Even bigger and experienced people can eat losses here. Be sure to assess your ability to bear risk before investing.

NEED FINDING

- If the customer is not willing to take risk choose BLUE CHIP companies. These companies are trust worthy and the best companies.
- Use a discount brokerage to buy stocks if you are confident in your investment skills and have the time to do your own investing .

SOME OF THE NEEDFINDINGS

1.What do you understand by Stock market indices? Name the major stock market indices.

A: Stock market indices are used to measure the general movement of the stock market. It is used as a proxy for overall market movement. The major stock market indices are:

- Bombay Stock Exchange Sensitive Index (BSE) popularly known as Sensex. It reflects the movements of 30 sensitive shares from specified and non specified groups.

- S and P CNX nifty, known as Nifty Index. It reflects the movements of 50 scrips selected on the basis of market capitalization and liquidity.

2.What are the different types of Equity Market?
Equity market consists of primary market and secondary market.

Primary equity market – is also called new issues market as securities are issued to public for the very first time. In this market the new issues are made in following four ways:

- Public issue
- Rights issue
- Private placements
- Preferential allotment

Secondary equity market – also known as Stock exchanges which are an important part of capital market. It is an organized market place where securities are traded. These securities are issued by government, semi-government bodies, public sector undertakings, joint stock companies etc.

3.On what basis securities should be selected?
There are three factors which should be considered in selecting fixed income securities:

- Yield to maturity,
- Risk to default,
- Tax shield and
- Liquidity.

There are three approaches to selection of equity shares: fundamental analysis, technical analysis and random selection

4.What is efficient market hypothesis?
A:Efficient market is one where the market price of the security is an unbiased estimate of its intrinsic value. The efficient market hypothesis is based on following assumptions:

- Market is perfect and free without any trade restrictions.
- Market absorbs all the information quickly and efficiently.
- Information is free and costless and is freely available to all at the same time.
- Information is fair and correct.
- Market players can analyse the information quickly and it is absorbed in the market through buy and sell signals.

5.What are the types of Risks?
Generally there are two types of risk: Systematic risk and Unsystematic risk.

Systematic risks are:

- Market risk
- Purchasing power risk
- Interest rate risk

Unsystematic risks are:

- Business risk
- Financial risk
- Liquidity risk
- Default risk

6.What is Mutual Fund? State types of mutual funds schemes.
A:Mutual Fund is an association which pools the savings of the investors who share common financial goals. The money collected by number of investors is invested in different types of financial instruments for the mutual benefit of its members. The income earned on these investments is then shared by the unit holders in proportion to the number of units held by them. A mutual fund has sponsor, trustees, asset Management Company and custodian. Mutual funds schemes are classified on the following basis:

- **Maturity Period** – Open ended and closed ended schemes.
- **Investment Objective** – Growth scheme, Income scheme, and balanced scheme.
- **Other schemes** – Liquid fund, Gilt fund Index fund, Sector fund and Tax saving fund.

THANK YOU