

Basic Stock Market Terms Used in SmartTrade Project

1. Trade

Definition

A **trade** is a completed transaction where a security (such as a stock) is **bought or sold** at an agreed price and quantity.

Examples

1. Buying **100 shares of AAPL at ₹150** is a trade.
 2. Selling **50 shares of TCS at ₹3,400** is a trade.
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2. Equity (Equity Trade)

Definition

Equity refers to **ownership shares of a company**.

An **equity trade** means buying or selling company shares in the stock market.

Examples

1. Buying shares of **Apple (AAPL)** on NASDAQ.
 2. Selling shares of **Reliance Industries** on NSE.
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3. Stock / Share

Definition

A **stock (share)** represents a **unit of ownership** in a company.

Examples

1. Owning **10 shares of Infosys** makes you a partial owner.
 2. Buying **AAPL shares** gives ownership in Apple Inc.
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4. Stock Symbol

Definition

A **stock symbol** is a **short code** used to identify a company's shares on a stock exchange.

Examples

1. **AAPL** → Apple Inc.
 2. **TCS** → Tata Consultancy Services
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5. Quantity

Definition

Quantity is the **number of shares** bought or sold in a trade.

Examples

1. Buying **100 shares** of HDFC Bank.
 2. Selling **25 shares** of Amazon.
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6. Market Price

Definition

The **market price** is the **current trading price** of a stock in the market.

Examples

1. AAPL trading at **\$150.50**.
2. Infosys trading at **₹1,480**.

7. Trade Value

Definition

Trade value is the **total monetary value of a trade**, calculated as:

Market Price × Quantity

Examples

1. $100 \text{ shares} \times ₹500 = ₹50,000 \text{ trade value.}$
 2. $20 \text{ shares} \times \$200 = \$4,000 \text{ trade value.}$
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8. Brokerage

Definition

Brokerage is the **fee charged by a broker** for executing a trade on behalf of the client.

Examples

1. 0.1% brokerage on ₹1,00,000 trade = ₹100.
 2. Flat ₹20 brokerage per equity trade.
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9. GST / Tax on Brokerage

Definition

GST (Goods and Services Tax) is a **government tax** applied on brokerage charges, not on the trade value.

Examples

1. Brokerage ₹100 → GST 18% = ₹18.
 2. Brokerage ₹50 → GST 18% = ₹9.
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10. Portfolio

Definition

A **portfolio** is a **collection of investments** owned by an investor.

Examples

1. Portfolio containing shares of **TCS, Infosys, HDFC**.
 2. Portfolio with **equity, mutual funds, and ETFs**.
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11. Market Data / Price Feed

Definition

Market data refers to **real-time or delayed price information** received from stock exchanges.

Examples

1. Live stock prices shown on trading apps.
 2. Delayed prices on financial news websites.
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12. Trade Execution

Definition

Trade execution is the process of **actually completing a buy or sell order** in the market.

Examples

1. Order placed → matched → trade executed.
 2. Buying shares instantly at market price.
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13. Risk Management

Definition

Risk management involves identifying and controlling **potential financial losses** in trading.

Examples

1. Limiting trade size to avoid heavy loss.
 2. Rejecting trades with missing price data.
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14. Audit Log / Trade Log

Definition

A **trade log** is a **record of all executed trades**, used for tracking, auditing, and compliance.

Examples

1. Daily trade report sent to regulators.
 2. Broker maintaining logs for client disputes.
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15. Trading System / Trading Engine

Definition

A **trading system** is software that **processes orders, prices, trades, and reports** in the stock market.

Examples

1. Zerodha Kite trading platform.
 2. Institutional trading engines used by banks.
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16. High-Frequency Data

Definition

High-frequency data refers to market data that **changes very frequently**, often multiple times per second.

Examples

1. Live tick-by-tick stock prices.
 2. Intraday price movements.
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17. Trade Analytics

Definition

Trade analytics involves analyzing trade data to understand **volume, frequency, and performance**.

Examples

1. Total number of trades executed today.
 2. Average trade value per day.
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18. Instrument Type

Definition

An **instrument** is a **financial product** that can be traded in the market.

Examples

1. Equity shares.
 2. Derivatives like futures and options.
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One-Line Exam-Ready Summary

The SmartTrade project models real stock market concepts such as trades, equity shares, market price, brokerage, tax, and trade analytics in a simplified trading system.