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DECLARATION

I, **Md. Intaz Ali** bearing Registration No. Ph.D/2009/12, dated: 27.09.2012, hereby declare that the subject matter of the thesis entitled ***"Stock Market Volatility and Returns: A Study of Selected Indian Industries"*** is the record of work done by me and that the contents of this thesis did not form the basis for award of any degree to me or to anybody else to the best of my knowledge. The thesis has not been submitted in any other University/ Institute.

Date: **Candidate's Signature**

Place: Silchar

PREFACE

Industrial development plays a crucial role in economic development. Industrial development depends on capital formation. Stock market acts as an engine of industrial development. Stock market is always considered a place full of uncertainty and volatility. Volatility analysis is important to investigate the behaviour of stock market because issues of volatility and risk have become increasingly important in recent times to financial practitioners, market participants, regulators and researchers. Indian stock market being an important part of emerging Indian economy attracts foreign capital which enhances the fluctuations more. It is very important to understand the behaviour of the stock market so that an investor can be careful at the time of investment.

The present research is done to measure the stock market volatility and its pattern. It also shows the relationship between stock market volatility and expected return. Further, it also depicts the relationship between stock market volatility and industrial profitability and also reveals the relationship between stock market volatility and firm size. Finally, the study attempts to identify the responsible determinant of stock market volatility.

It is a pleasure and great opportunity to express my profound sense of gratitude to all those who helped me in the completion of my thesis. Successful completion of any thesis depends upon expert guidance, able supervision, willing co-operation, active support, valuable suggestions, and personal involvement of the concerned people. This thesis is the outcome of accumulated effort of such guidance, supervision, co-operation, support and involvement of many.

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ABBREVIATIONS

AA	Atul Auto Limited.
ABL	Axis Bank Limited.
ADF	Augmented Dicker Fuller.
AL	Ashok Leyland Limited.
APL	Adani Power Limited.
AR	Auto Regressive.
ARCH	Auto Regressive Conditional Heteroscedasticity.
ARDL	Auto Regressive Distributed Lag.
ARMA	Auto Regressive Moving Average.
ASX	Australian Stock Exchange.
BA	Bajaj Auto Limited.
BCL	Bajaj Corporation Limited.
BFL	Bajaj Finance Limited.
BFSL	Bajaj Finanserv Limited.
BFU	BF Utilities Limited.
BHI	Bajaj Holdings & Investment Limited.
BI	Britannia Industry.
BOB	Bank Of Baroda.
BOI	Bank Of India.
BSE	Bombay Stock Exchange.
BV	Book Value.
CAPM	Capital Asset Pricing Model.

CBL	Canara Bank Limited.
CESC	Calcutta Electric Supply Corporation.
CIFC	Cholamandalam Investment And Finance Company Limited.
CMR	Call Money Rate.
CPI	Colgate Palmolive (India) Limited.
CRR	Cash Reserve Ratio.
CUSUM	Cumulative Sum.
CUSUMQ	Cumulative Sum of Square.
CV	Conditional Variance.
DIL	Dabur India Limited.
DPS	Dividend Per Share.
DY	Dividend Yield.
ECSL	Eclerx Services Limited.
EGARCH	Exponential Generalized Autoregressive Conditional Heteroscedasticity.
EL	Escorts Limited.
EM	Eicher Motors Limited.
EMH	Efficient Market Hypothesis.
EPS	Earning Per Share.
ER	Exchange Rate.
F&O	Future and Options.
FDI	Foreign Direct Investment.
FII	Foreign Institutional Investors.
FMCG	Fast Moving Consumer Goods.

FOREX	Foreign Exchange.
GARCH	Generalized Autoregressive Conditional Heteroscedasticity.
GARCH-M	Generalized Autoregressive Conditional Heteroscedasticity in Mean.
GCP	Godrej Consumer Products Limited.
GDP	Gross Domestic Product.
GED	Generalized Error Distribution.
GFL	Gruh Finance Limited.
GIL	Gillette India Limited.
GJR	Glosten, Jagannathan and Runkle.
GLS	Generalised Least Square.
GMM	Generalised Method of Moment.
GSCH	Glaxosmithkline Consumer Healthcare Limited.
HCL	Hindustan Computers Limited.
HDFC	Housing Development Finance Corporation.
HM	Hero Motocorp Limited.
HMT	Hindustan Machine Tools.
HNM	Hindustan Motors Limited.
HTL	Hexaware Technologies Limited.
HUL	Hindustan Unilever Limited.
ICICI	Industrial Credit and Investment Corporation of India.
IDBI	Industrial Development Bank of India.
IDFC	Industrial Development Finance Corporation.
IEL	Infotech Enterprises Limited.

IFCI	Industrial Financial Corporation of India.
IGARCH	Integrated Exponential Generalized Autoregressive Conditional Heteroscedasticity.
IIP	Index of Industrial Production.
IL	Infosys Limited.
ILB	Indusind Bank Limited.
INGV	ING VYSYA Bank Limited.
IPO	Initial Public Offering.
IT	Information Technology.
J&K	The Jammu & Kashmir Bank Limited.
JLL	Jyothy Laboratories Limited.
JPV	Jaiprakash Power Ventures Limited.
JSW	JSW Energy Limited
KMB	Kotak Mahindra Bank Limited.
KPIT	Kirtane Pandit Information Technology.
KRBL	KRBL Limited.
KSK	KSK Energy Ventures Limited.
LICH	Life Insurance Corporation Housing.
LM	Lagrange Multiplier.
LTH	Larsen &Toubro Holdings.
MFL	Muthoot Finance Limited
ML	Marico Limited.
MM	Mahindra & Mahindra Limited.

MMF	Mahindra & Mahindra Financial.
MP	Market Price.
MPL	Mphasis Limited.
MS	Maharashtra Scooters Limited.
MSI	Maruti Suzuki India Limited.
MTL	Mindtree Limited.
NASDAQ	National Association of Securities Dealers Automated Quotations.
NHPC	National Hydroelectric Power Corporation.
Nifty	NSE Fifty.
NIIT	NIIT Technologies Limited.
NIL	Nestle India Limited.
NLC	Neyveli Lignite Corporation Limited.
NSE	National Stock Exchange.
NTPC	National Thermal Power Corporation Limited.
NYSE	New York Stock Exchange.
OFSL	Oracle Financial Service Limited.
OLS	Ordinary Least Square.
P/E	Price-Earning Ratio.
PB	Price to Book Value.
PGC	Power Grid Corporation of India Limited
PGHC	Procter & Gamble Hygiene Corporation.
PNB	Punjab National Bank.
PP	Phillips-Perron Test.

PSL	Persistent System Limited.
RBI	Reserve Bank of India.
RCL	Reliance Capital Limited.
REM	Random Effect Model.
RIL	Reliance Infrastructure Limited.
RPL	Reliance Power Limited.
S&P CNX	Standard & Poor CRISIL NSE Index Nifty.
SBI	State Bank Of India.
SCU	Shri. City Union.
SEBI	Securities and Exchange Board of India.
SENSEX	Sensitive Index.
SFL	Sundaram Finance Limited.
SI	SML Isuzu Limited.
SJVN	Satluj Jal Vidyut Nigam Limited.
SRT	Sriram Transport.
TB	Trade Balance.
TCS	Tata Consultancy Service Limited.
TGARCH	Threshold Generalized Autoregressive Conditional Heteroscedasticity.
TM	Tata Motors Limited.
TML	Tech Mahindra Limited.
TPC	Tata Power Company Limited.
TPL	Torrent Power Limited.
TV	Trading Volume.

TVS	TVS Motor Company Limited.
VL	Vakrangee Limited.
VST	V.S.T Tillers Tractors.
WL	Wipro Limited.
WPI	Wholesale Price Index.
YSB	Yes Bank Limited.
ZWL	Zydus Wellness Limited.