

## EQUITY

### Chapter 1:

Understand the dynamics of the Securities Market in India — an Overview provided in the Equity Research section which included the following additional points:

Introduction to Securities Market:

- What is stock?
- Types of stocks
- Characteristics of an efficient stock market:
- Structure of stock markets and how they function
- Products, Participants and Functions
- Securities Market and Economic Development

### Chapter 2:

Understand the classification of different equity markets in India provided in the Equity research section:

- Primary Market
- Secondary Market
- Derivatives Market

### Chapter 3:

Understand the major stock exchanges in India and its significance:

- The National Stock Exchange of India Limited
- Bombay Stock Exchange Limited
- Other Popular Stock Indexes

### Chapter 4:

Understand the legal frame work of Indian securities market.

- Regulatory Framework
- Legislations, Rules and Regulations
- SEBI initiatives

### Chapter 5:

Investors must take into consideration the various Determinants of Stock Price before a buying or selling a particular stock, explained in the Equity Research section.

### Chapter 6:

Understand the impact of Stock split, Reverse Stock Splits, Allotment of the additional shares, Difference between Stock Split and Bonus, Dividends etc in the investor's portfolio explained in the equity research section with illustration.

### Chapter 7:

If a company wants to raise capital (money), one must understand the various ways a company can go about issuing stocks.

- Types of Issues:
  - Primary market Issues can be classified into four types.
  - Initial Public Offer
  - Follow on Offer
  - Rights Issue
  - Preferential Issue

### Chapter 8:

Understand how to distinguish a company a company in terms of its market capitalization (i.e. Mega cap, Big/large cap, Mid cap, Small cap, and Micro cap) and determine the value of a company provided in the Equity research section.

### Chapter 9:

Understand the various trading aspects of Securities Market provided in the research matter.

Trading in Securities Market:

- Trading Days
- Trading Hours

Note: any trades passed after the market shuts, those trades will be treated as pending transaction and will be executed on the next trading day at the price at which the market opens.

### Chapter 10:

Understand the various concepts of Securities Market Trading. This information is available in the research section and in the equity quotes section and also be viewed in the detailed watch list.

Trading System:

- Open Price
- Closing Price

Note: Unlike futures market one does not need to buy or sell share in lot sizes.

### Chapter 11:

Understand the various Equity Valuation techniques provided in the equity research section:

- Capital Asset Pricing Model – CAPM
- Securities market line
- P/E Ratio
- Dividend Discount Model – DDM
- The Constant Growth Rate Model
- The Two-Stage Dividend Growth Model

### Chapter 12:

Once the equity trading specifications are clear, before trading one must look out for the following aspects provided in the research and quote section:

- Company profile
- Mutual fund holding
- Company information
- Detailed financials
- Brief financial analysis
- Recent developments

### Chapter 13:

After understanding the above aspects one must then track other few stocks and compare them in terms of it's:

- Volatility
- Volume

### Chapter 14:

After understanding how a stock moves, start trading on the simulator by passing a market, limit or stop loss orders. On a daily basis check out for the daily gain/loss and the impact it has on your portfolio.

