



STOCK EXCHANGE

Presented BY

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PLAN

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WHAT IS STOCK EXCHANGE?

“an association , organization , or a individual which is established for the purpose of assisting , regulating , and controlling business in buying ,selling and dealing in securities.”

FEATURES OF STOCK EXCHANGE

- ✓ It is an organized market
- ✓ It is a securities market
- ✓ It is an important constituent of capital market i.e., market for long-term finance
- ✓ It is a voluntary association of persons desirous of dealing in securities
- ✓ Stock exchange is a voluntary association, its membership is not open to everybody
- ✓ In a stock exchange, only the members can deal in i.e., buy & sell securities

IMPORTANT FUNCTION OF STOCK EXCHANGE

- ✓ Provide central and convenient meeting places for sellers and buyer of securities
- ✓ Increase the marketability and liquidity of securities
- ✓ Contribute to stability of prices of securities
- ✓ Equalization of price of securities
- ✓ Smoothen price movement
- ✓ Help the investors to know the worth of their holdings
- ✓ Promote the habit of saving and investment
- ✓ Help capital formation
- ✓ Help companies and government to raise funds from the investors
- ✓ Provide forecasting service

BROKER AND JOBBER

- ✓ **BROKER:** A broker in a stock exchange ,is a commission agent who transacts business in securities on behalf of non members.
 - ✓ **JOBBER:** He deals with brokers who are engaged with the investors and sells to members who are operating on the stock exchange as broker.
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DIFFERENCES BETWEEN A JOBBER AND A BROKER

JOBBER

- ✓ independent dealer in securities, purchasing or selling securities on his own account
- ✓ deals only with the brokers ,does not deal with the general public
- ✓ earns profit from his operations
- ✓ specializes in certain group of securities

BROKER

- ✓ deals with the jobber on behalf of his clients.
- ✓ is merely an agent, buying or selling securities on behalf of his clients
- ✓ gets only commission for his dealings
- ✓ deals in all types of securities

SPECULATION AND SPECULATOR

- ✓ **SPECULATION** : It is the transaction of members to buy or sell securities on stock exchange with a view to make profits to anticipated raise or fall in price of securities.
- ✓ **SPECULATOR** :. A person who trades derivatives, commodities, bonds, equities or currencies with a higher-than-average risk in return for a higher-than-average profit potential. Speculators take large risks, especially with respect to anticipating future price movements, in the hope of making quick, large gains.
- ❖ BULL
- ❖ BEAR
- ❖ STAG
- ❖ LAME DUCK

SPECULATORS

Speculators take large risks, especially with respect to anticipating future price movements, in the hope of making quick, large gains:

- ❖ BULL
- ❖ BEAR
- ❖ STAG
- ❖ LAME DUCK

❖ BULL



He is speculator who expects the future raise in price of securities he buys the securities to sell them at future at the higher price.

The bull tends to throw its victims up in the air through its horns.

❖ BEAR



He is speculator who expects future fall in prices , he does an agreement to sell securities at future date at the present market rate .

The bear tends to stamp its victims down to earth through its paws

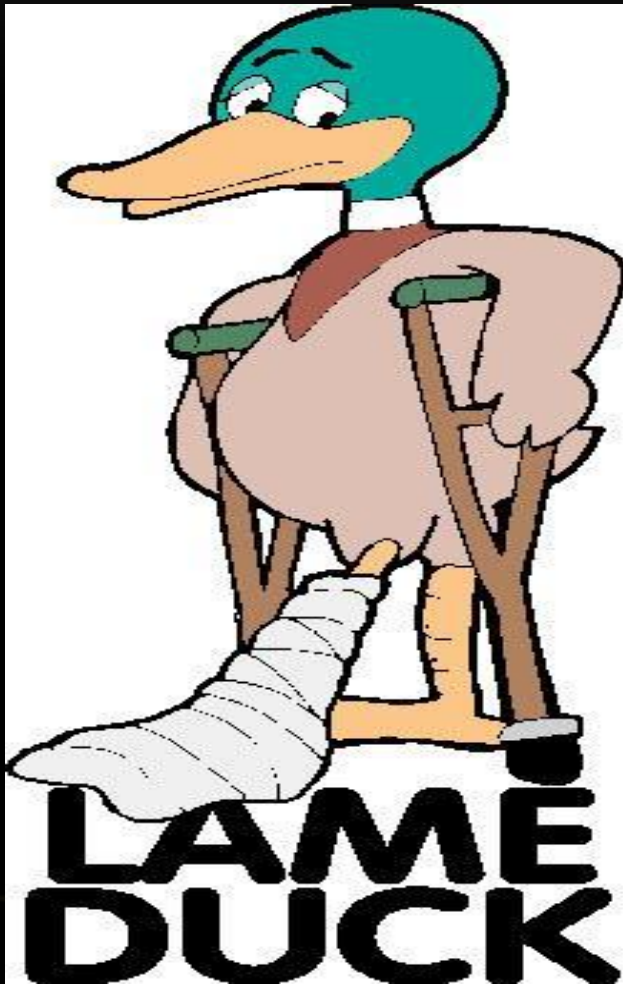
❖ STAG



He is not a genuine investor because ,
he sells the allotted securities at
the premium and makes profit. .

He creates an artificial rise in prices of
new shares and makes profits.

❖ LAME DUCK



He is speculator when the bear operator finds it difficult to deliver the securities to the consumer on a particular day as agreed upon. He struggles as a lame duck in full filling his commitment .

THE ROLE OF THE STOCK MARKET

- They measure and control the growth of a country.
 - Stock markets are the places, where exactly you do your business.
 - Stock exchange have very important role to play in the economy of the country.
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CONCLUSION

STOCK EXCHANGE

- EASY WAY TO EARN MONEY,
 - **EASY WAY TO LOSE MONEY**
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HAPPY INVESTMENT WITH LOTS OF
PROFITS

END
