CHAPTER 18

FINANCIAL STUDIES

Doctoral Theses

172. ARORA (Charu)
Mergers and Takeovers : Analysis of Indian Mutual Fund Industry.
Supervisor : Dr. Amitabh Gupta
Th 18191

Abstract

India, a developing economy, joined the trends of mergers in early nineties. This began with the introduction of the new economic policy of 1991 that brought with it liberalization and globalization. The phase from 1990-1995 is marked as the first wave of merger in India that is characterized by combination of business companies offering same product line for technological development. The new economic environment brought the concept of mergers and takeovers from the developed nations to India. According to the Securities and Exchange Board of India (SEBI), corporate restructuring involves making redical changes in the composition of the businesses in the company's portfolio. The second wave of mergers in India is taken from 1995-2000 with huge foreign participation in terms of technology as well as investment. Further, India entered the third phase that began in the year 2000 in order to exploit production capacities, employment opportunities and other benefits of mergers.

Contents

1. Introduction. 2. Survey of literature. 3. Organisational and legal framework of a mutual fund. 4. Analysis of financial factors. 5. Analysis of non-financial motives. 6. Summary, findings and conclusions. 7. Bibliography.

173. BALAKRISHNAN (A)
Multifactor Approach to Asset Pricing : An Empirical Study.
Supervisors : Prof. Sanjay Sehgal and Dr. G S Sood
Th 18190

Abstract

Asset pricing describes the relationship between expected return and risk on financial assets for a given market. It is extensively used by market practitioners for corporate valuation, estimating cost of capital, determinig fair rate of return on public utilities, assessing market efficiency, and market microstructure issues. Asset pricing is an extremely popular research area amongst empirical researches and hence it has ever expanding body of literature. The review is done for some of the important empirical studies conducted for world capital markets as well as India.

Contents

174. KAPUR nee BAWEJA (Radhika)
Empirical Study of the Relation Between Oil Price Shocks and Stock Market Behaviour.
Supervisor : Prof. Sanjay Sehgal
Th 16659

Abstract

Impact of oil prices on the stock market is inversely proportional. A shoot in oil prices leads to a nose dive in the stock market. And a decrease in oil price on an average leads to a higher stock market return. So, the effect of oil prices becomes predictable in the stock market. The effect is profound when the oil prices increase in the magnitude of 50% to 100% annually. Though the stock market moves in the opposite direction with respect to oil prices, it is basically a one way traffic. The stock market returns has no impact on the crude oil prices. The entire stock market does not get equally or at the same time affected by the fluctuation in the oli prices. It is rather subtle. The general perception is that countries which are oil importing; their stock markets would react negatively to an oil price rise and positively to an oil price fall as this implies higher import bills, inflation and increased expenditure. Countries which are oil rich would react positively to oil price increases, as this would

imply increased revenues and nagatively to oil price decreases as their revenues would fall.

Contents

175. KUMAR BIJOY

Term Structure of Interest Rates in India : An Empirical Study.

Supervisors : Prof. Muneesh Kumar and Prof. Sanjay Sehgal

Th 18193

Abstract

Interest rate or yeild is an important ingredient for many macroeconomic policy decesions in general and monetary policy in particular. It is an important tool in the hands of Central banks for credit control. The security specific factors such as residual maturity, time since issuance of age, current yield and issue-size account for most of the variation in pricing errors. The study concludes that the forecasting performance of Bayesian VAR models is satisfactory for most interest rates and their superiority in performance is marked at longer forecast horizons.

Contents