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Online Trading

¹Madhura Rajesh Dalvi, ²Shruti Rajendra Chinchamalpure, ³Avantika Manojrao Butle

¹RIM Campus, Email id: madhuradalvi21@gmail.com, Contact No: 9067059757

²Email id: shrutichinchamalpure@gmail.com, ³Email id: butleavantika@gmail.com

ABSTRACT

A Study of Online Trading facility with reference to financial services of various sectors. The main objective is to study how online trading system helps in improving marketing transparency. This research examines the trends in online trading industry, as well as competing business models of traditional and online brokerage firms. After invention of online trading in stock exchange there is greater transparency of trading. It is to understand the deep process of trading. And to study the entire mechanism of online trading. It is the method used for study the Primary and Secondary data collection method. It is important to understand what information needs to be analyzed to help decide which investments are right for you.

KEYWORDS - Online Trading, Marketing Transparency, Business Opportunities.

INTRODUCTION

Online Trading is one of the recent origins in the 21st century. Online Trading in securities refers to the facility to investors being able to place his own orders using internet trading platform offered by trading member i.e. The Broker. Technology has changed the view of stock markets. They don't require a place for trading and can trade from a single location anywhere across the country. The transactions such as buying and selling of shares are made through the internet. The orders so placed by the investor using the internet would be routed through the trading member. This includes the trading of bonds, stocks (shares), international currencies other financial instruments. You can make a quick transaction and make good earnings. You will not have to speak to a broker to get best bet on your money. Online trading provides a far more inexpensive experience, which attracts a majority of traders and investors.

Before Online Trading was introduced, Regional Stock Exchange played a vital role in Capital Market as they were local investors. Now they have updated to screen based trading, connecting with other stock exchange. When you use internet trading to buy and sell a stock, your transaction is completed in a matter of seconds. Online Trading is distinguished from wireless trading where area of service where brokerage customers can trade through cell phones, pagers and handheld organizers. Anything that can be done online will make your life convenient. When it comes to online trading, you till only have to open a trading account using the internet and you can start trading. Another top benefit of online trading is the low cost.

LITERATURE REVIEW

"Online Stock Trading in India: An Impirical Investigation". Latest developments in information technology have altogether changed the business which was done traditionally. In Indian context e-trading is relatively new phenomenon, which has yet to gain some proper meaning. Trading is basically known as buying and selling shares in stock exchanges. There are two types of trading such as Online Trading and Offline Trading. Indian Stock Exchanges have started adopting technology because it provides the necessary object and ensure satisfaction in customer service. Stock market business have expanded to such extend which was never happened before. This has become an important thing to get success to all organizations of online trading business worldwide.

Abdul Rahim (2013) in his research paper "Problems of Prospects of Online Share Trading Practices in India" has explained about SEBI and NSE, where NSE has trade securities online as per regulation of SEBI. Dr. Sarika Srivastava (2016) in her article, "Impact of Internet Growth on the Online Stock Trading in India", has mentioned that because of the internet, customers are more aware about the financial products and services.

A Study done by Madhavan V (2000) on "Payments in India: The Journey so far and the road ahead", looks at how multiple payment systems have developed in India and the need of technology and legal framework to ensure that electronically linked payments and clearing systems, including cheque transactions can be implemented in future.

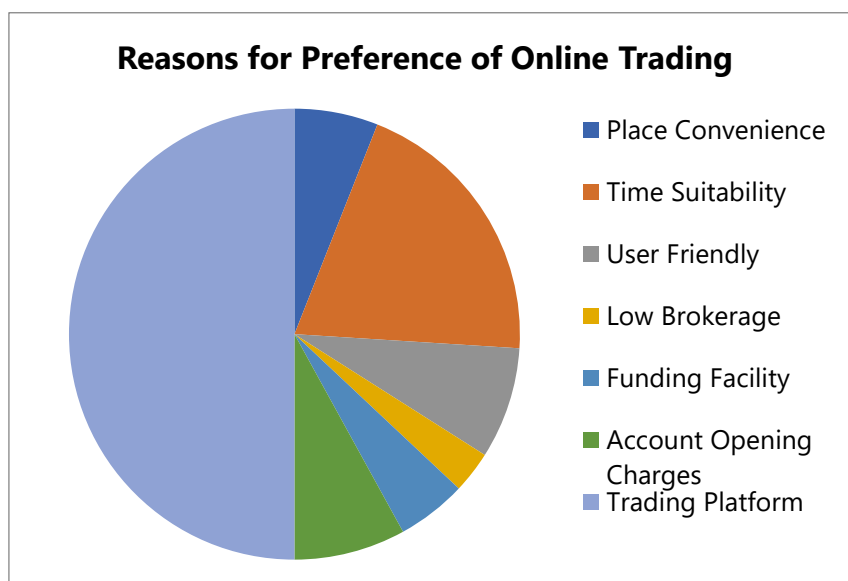
METHOD

Method is a process of doing something like Trading doesn't just happen with flick of a switch. Many things need to be in order for you to start off, and this is the part of process. You can get a good judgement if your brokerage has a virtual trading platform that acts as a simulator for trading at a real exchange. Furthermore, if you can sign on with Motilal Oswal, you get the benefit of learning and advice from experts.

1. Selection of a Broker
2. Opening a Demat Account
3. Placing the Order
4. Executing the Order
5. Settlement

➤ Reasons for Preference of Online Trading

	No. of Respondents
Place Convenience	6
Time Suitability	20
User Friendly	8
Low Brokerage	3
Funding Facility	5
Account Opening Charges	8
Trading Platform	50
Total	100



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FINDINGS

- 1) The investor is able to know the risk and returns of shares by online trading.
- 2) Investors can decide whether they want long term or short term investments.
- 3) Investors must have basic idea or knowledge about computer operations.
- 4) Avoid buying shares of capital of a company having an equity capital of less than Rs. 1 crore.

- 5) Investors must show interest in steady and neatly growing shares only.
- 6) Avoid buying shares of a company with many numbers of Shareholders.

CONCLUSION

Online Trading is a new concept in the stock market. Online Trading has made it easy to trade in the stock market as people can trade while sitting at home also. The online trading has played an important role in these days by providing good services. The Online Trading helps to develop the economy of the country. It is not yet fully developed due to lack of advertisement.

There are new technologies are coming into the market and investors are also responding them. Trading is not that people think. There were so many scams like Kingfishers, Satyam, Scam 1992, Sahara scam done in the market, but by the way of online trading, Stock Exchange and SEBI prevent them from happening.

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