

EXECUTIVE SUMMARY

The motive of this present study was of generating an effective, optimum equity portfolio applying the Sharpe's Index Model foremost effective and truly common utility. The internship was completed in one of the stock broking agencies called Star Fing Pvt Ltd in order to induce more awareness about the Indian stock exchange. Investment in the stock market may be a significant and essential idea and is practically more essential. The Sharpe's Model is the strongest portfolio model and its primary goal is to optimize return and mitigate hazard.

This study is aimed at creating consciousness within investor's minds. Here only 17 companies were chosen for the portfolio construction for the sample of fifty companies. Securities selection is produced on return and beta-ratio excess return. Excess beta-ratio return is defined by comparing the surplus return with the beta of the existing stock. Standard deviation is the mechanism in which it needs to calculate securities volatility and also the relationship between the securities mean variable for the stock chosen.

Cut-off values help select securities in a rather scientific manner. All securities where the excess return to the beta ratio exceeds the cut- limit is selected here. The cut-rate helped to identify the stocks, as well as the portion of the investment to be made on them.

Findings and recommendations should give this study more insight, and help fund managers as well as skilled investors make wise decisions about their investment. Hope this study and developed portfolio would help investors, fund managers and other institutional investors make the right investment.