

TESTING THE EFFICIENCY OF INDIAN STOCK MARKET: A CASE OF SELECT IT COMPANIES IN BOMBAY STOCK EXCHANGE

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Market efficiency in capital market theory explains the degree to which stock prices reflect all available, relevant information. Efficient Market Hypothesis (EMH) was proposed based on the arguments put forward by Samuelson (1965) that anticipated price of an asset fluctuate randomly and Fama (1970) presented a formal review of theory and evidence for market efficiency with subsequent revision on the basis of development in research (Fama 1991). The present study aims to analyse the efficiency of Indian IT Index based on Bombay stock exchange. The Indian IT sector is found efficient in its semi strong form whereas the entire market seems to be weak form efficient.

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