STOCK MARKET VOLATILITY DURING DIVIDEND ANNOUNCEMENT
A CASE OF SELECTED BANKS IN INDIA

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ABSTRACT

An attempt has been made in this paper to examine the share price volatility at the individual banks. The empirical analysis has been done by using Generalised Autoregressive Conditional Heteroscedasticity (GARCH) model and GARMAN KLAS Model. It is based on daily data for the time period from January 1st 2000 to December 31st 2010. The analysis reveals that the mean of volatility is high during the pre-event period for the selected 21 banks in the Indian Capital market by using both models.

Keywords: GARCH, GARMAN KLAS Model, Stock Market Volatility