

Report of the E-Learning Activities through Zoom App

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During the online e-learning session following queries raised by the students and the answers provided by me are mentioned:

1.) What is Short Selling Theory?

Answer: It refers to selling shares which are not owned. Investors sell short when they expect the market price of a security to decline. They hope to purchase the security at a later date below the selling price and reap a profit. Technical Analysts view short selling as a sentiment indicator. It is a sophisticated technique and it is difficult for an average investor to understand it.

2.) What is Advance Decline Theory?

Answer: This theory helps in understanding the width of the market. The width of market means total number of traded securities. The greater the number of securities traded compared to the securities listed, greater will be the width of the market. The basic idea behind all this is to determine what the majority of stocks are doing. The daily net difference between the number of shares whose prices have advanced in a stock exchange and the number of those whose prices have declined is calculated. The net difference is added to the next day's difference and so on to form a cumulative index.

3.) What are Oscillators?

Answer: Oscillators means boundary i.e. when the price moves and calls within a range we call it as oscillation range. If the oscillator reaches extreme lower end it is the time to buy and vice versa. The market is said to be overbought when oscillator is at its upper extreme and vice versa.

4.) What is Momentum?

Answer: In technical analysis momentum is defined as the rate of change in the price of a stock. For example if the price of a stock changes by 15% in a week. This change is called fast momentum. If the same change balance in two weeks it is a slow momentum.

5.) What are the criticisms of technical analysis?

Answer: Following are the criticism of technical analysis:

(a) It is only based on past and historical data. Unexpected future events are not taken into consideration.

(b) In stock market, profits are always realized at the expense of others. Therefore to earn profit, the technical analysis has to be cleverer and luckier.

(c) False signal can always occur in stock market. If technical analyst goes in without confirmation there may be mistakes and losses.

Screenshot:



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