

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

1.) What are Charts?

Answer: Charts are the basic tool of technical analysis. The charts provide visual assistance in detecting changing patterns of price behaviour. The chartists believe that stock prices move in fairly persistent trends. Chartists believe that volume and trend go hand in hand and believe that charts are a reflection of investor behaviour based on the assumption that the history repeats itself. There are three most popular types of charts: (a) Line Chart (b) Bar Chart (c) Point and Figure Chart.

2.) What are Trends?

Answer: It is defined as the direction in which the market is moving. An upward movement trend is called uptrend, a downward movement trend is called downtrend and stock prices trading in a range are called sideways trend. Trend lines are drawn to identify such trends. If the succession of peaks and troughs occur at increasingly higher prices, the market is uptrend. This trend is bullish and most investors are attracted. If the succession of peaks and troughs occurs at increasingly lower prices, the market is downtrend and signals time to sell securities. In sideways trend investor must be extra careful and wait for a definitive trend.

3.) What are Patterns?

Answer: It is the tool of showing price changes in the form of shapes. They are also formed because of the investment behaviour of market participants. The patterns, trends and charts are combined to analyze together the stocks and overall market.

4.) Name some Continuous and Reversal Patterns?

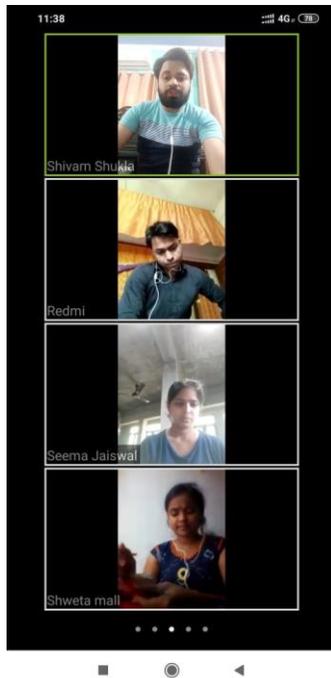
Answer: Examples of Reversal Patterns are:

- (a) Head and Shoulder Pattern
- (b) Cup and Handle Pattern
- (c) Double Top and Bottom Pattern
- (d) Triple Top and Bottom Pattern
- (e) Inverted Head and Shoulder Pattern

Examples of Continuous Patterns are:

- (a) Triangles
- (b) Rectangles
- (c) Flags
- (d) Pennants

Screenshots:



*Mr. Shivam Shukla
Assistant Professor
Department of Commerce
Siddharth University, Kapilvastu,
Siddharthnagar (U.P.)*

