



**A STUDY ON OPTIMAL PORTFOLIO CONSTRUCTION OF
FMCG AND PHARMACEUTICAL SECTOR STOCK WITH
REFERENCE TO BSE**

Dr. B.G. Satyaprasad

Professor and Director

G.T.Institute of Management Studies and Research, Bangalore

Prof. Anusha. P.H

Associate Professor

G.T.Institute of Management Studies and Research, Bangalore

ABSTRACT

In the current fluctuating market, it is very essential to select an optimal portfolio for an investor to minimize the risk and rather reap maximum benefits, from the available set of assets. A comparison between the various available assets is prima facie. A most commonly used modus operandi is the expected return-to-risk trade off as measured by the Sharpe Index Model. This study illustrates an analysis of four years' asset value, from 2010 to 2015, of companies picked from FMCG & Pharmaceutical sectors. In this regard, Sharpe Index Model is used, which is regularly employed to assess the performance of mutual funds and portfolio strategies. This study aims at evaluating the portfolio performance, thereby bringing out the optimal combination of assets to be invested in afore said two sectors. It is done basically by ranking the picked assets based on excess return to beta ratio and then finding out the cut off point (Ci), thereby the optimal combination of the assets.

Keywords: Portfolio, Sharpe index, Risk & Return