



# Analysis of Value and Growth Styles of Investing: A Study on Nifty 100 Index Stocks of NSE

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## Abstract

The Indian stock market shows a great deal of volatility which has wiped out the returns of many investors. Many frameworks are available to implement in the stock market such as value investing, growth investing, momentum investing etc. A lack of academic research has created a lack of awareness about the right style to implement in the Indian stock market especially from the lens of fundamental analysis. The objective of this article is to compare the value and growth styles of investing in terms of returns and risk over a particular period of time and determine the better style. The study constructed six portfolio consists of ten stocks each. The constituent stocks of six portfolios are selected based on the lowest and highest values of three fundamental indicators (P/BV, P/E & D/E). The study used all the Nifty 100 stocks to construct ten portfolios which constituents 10 stocks each. The portfolios are evaluated based on combined mean return, standard deviation and ANOVA. Overall the study found that neither the investing styles (value stocks or Growth stocks) seem to work here from the perspective of the ANOVA Test. The results are indicating that the comparison of performance of six portfolios are insignificant. The ANOVA results found significant difference in volatility of six portfolios. Further, the study found that growth investing is slightly less risky and high return choice than value portfolios.

**Keywords:** Value investing, Growth Investing, Fundamental indicators and ANOVA.

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