



Management

## **A STUDY ON THE IMPACT OF BUSINESS NEWS ON INVESTORS’ DECISION**

**Prof. Divyang J. Joshi <sup>\*1</sup>**

<sup>\*1</sup> Assistant Professor, Parul Institute of Management and Research, Parul University, Baroda,  
Limda-391760 (Gujarat), India

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### **Abstract**

The movement of the share price is always being the interesting topic for the researcher. The growing researches focus on the impact of bonus share announcement, stock split, right share, earning announcement, dividend announcement, and business announcement. There are more than 500 papers has been published in known journals which confirmed that stock prices react to news (Kothari and Warner (2006). But they are failed to integrate the sentiment of the published business specific news and its impact. Secondly, the studies which focused on long term, they failed to consider the potential problem of publication bias (Antweiler and Frank (2006). In this paper, the impact of Business specific News was measured with the help of sentiment analysis. Total 392 business specific news of 5 companies for 3 years were collected and analyzed. To check the impact of news, if any, the volume reactions were examined. The result indicates that there is an impact of news. Secondly, AAR and CAAR supported that informed investors can earn abnormal high return. The returns of positive and negative news were compared and it was concluded that there is no significant difference between AAR of positive business news and negative business news.

**Keywords:** Event Study; Sentiment Analysis; Market Efficiency; AAR; CAAR.

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