

Poornaprajna Institute of Management, Udupi - India



Micro Research Centre (MRC) Volatility Research



Dr. Bharathi Karanth
Associate Professor,
Poornaprajna Institute of Management, Udupi.

1. Purpose of MRC: The purpose of the Volatility Research Centre is to advance knowledge and understanding of the dynamics, implications, and management of volatility in financial markets and economies. The centre aims to conduct innovative research that sheds light on the causes and consequences of volatility, explores its impact on various financial instruments and markets, and develops strategies to effectively mitigate and manage volatility risk. Through interdisciplinary collaboration and engagement with industry, policymakers, and academia, the centre seeks to foster a deeper understanding of volatility dynamics and contribute to the development of more robust and resilient financial systems.

2. Objective of MRC: Volatility research aims to understand the nature and drivers of volatility in financial markets and economies, develop strategies for managing volatility risk, incorporate volatility dynamics into asset pricing theory, assess the impact of volatility on market efficiency and policy, forecast future volatility, study international finance implications, explore behavioural aspects of volatility, analyse the impact of financial innovation, and assess the broader socio-economic impact of volatility.

3. Description on Proposed Research: The research methodology for the proposed volatility research would likely involve a combination of quantitative and qualitative approaches. Quantitative methods would include statistical analysis of historical data to identify patterns and trends in volatility, as well as the use of mathematical models to simulate and forecast volatility dynamics. This could involve econometric models, time series analysis, and machine learning techniques. Qualitative methods could include case studies and interviews with industry experts to gain insights into the causes and consequences of volatility, as well as the effectiveness of different volatility management strategies. The research would also likely involve a review of existing literature and theoretical frameworks to build a solid foundation for the study. Overall, the methodology would be designed to provide a comprehensive and rigorous analysis of volatility dynamics and their implications.

4. Proposed Functions:

- ❖ **Research and Development:** Conduct innovative research on volatility dynamics using quantitative and qualitative methods.
- ❖ **Collaboration and Engagement:** Partner with academia, industry professionals, and policymakers to integrate diverse perspectives and apply research findings in real-world settings.

- ❖ **Knowledge Dissemination:** Publish research findings and host educational programs, seminars, and workshops to share insights with students, professionals, and the broader community.
- ❖ **Policy and Industry Advisory:** Provide evidence-based recommendations to policymakers and develop practical risk management tools for financial institutions.
- ❖ **Forecasting and Impact Assessment:** Use advanced techniques to forecast volatility trends and assess the broader socio-economic implications of volatility and financial innovation.

5. Expected Outcome: The Volatility Research Centre aims to produce cutting-edge research on volatility in financial markets, leading to innovative risk management tools and strategies. This research will provide valuable insights for policymakers and enhance understanding among students and professionals. Through industry collaboration, the centre will apply research findings in real-world settings, becoming a leading voice in volatility research and shaping industry practices.

6. List of the Team Members: Dr. Bharathi Karanth

7. List of Working Papers:

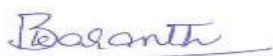
- (1) Dynamic Portfolio Diversification Strategies for Managing Volatility Risk.
- (2) Volatility Spillovers in International Financial Markets: Evidence from Exchange Rates.
- (3) Behavioural Biases and Volatility: A Study of Investor Sentiment Effects.

8. List of Related Published Papers:

Karanth, B. (2023). Strategies for Scientific Investment Decision Making, Using Stock Ratios as Filters. *Journal of the Asiatic Society of Mumbai*, 97(1), 71-81.

Karanth, B., & Pinto, P. (2023). Unlocking Investment Potential: Fundamental Analysis in Healthcare Stock Selection. *International Research Journal of Modernisation in Engineering Technology and Science*, 5(12), 3536-3546.

Karanth, B., & Pinto, P. (2024). Comprehensive Analysis of Top Equity Mutual Funds: Risk-Adjusted Performance Evaluation Using Statistical Tools 2017-2021. *International Journal of Science and Research (IJSR)*, 13(1), 87-95.



Dr. Bharathi Karanth

19/05/2024.

Name & Signature of Coordinator with date.