*Volatility indicates the strength behind the price movement of financial assets.*

*Greater the volatility, greater will be the variations in the price of various financial*

*assets and risk thereon. Volatility in price movements of the financial assets will*

*affect the economy and investors favorably and adversely as well. The study on*

*volatility becomes more important due to the interdependence of the national stock*

*market and stock with the rest of the world markets. In this article an attempt has*

*been made to study the volatility that existed in the Indian stock market during the*

*Union Budget 2018. The study attempts to analyze the impact of volatility on the risk*

*and return of share price movements. To analyze the volatility during Union Budget*

*2018 price movements of various BSE Indices one month prior to the announcement*

*of the budget and one month after the announcement of the budget were taken. The*

*indices taken for the study are broad market index namely BSE SENSEX, Indices*

*representing Large, medium and small capital companies namely BSE Large cap,*

*BSE Midcap and BSE Small cap and indices of different sectors were taken for*

*the study. The study results show that volatility has affected the return and risk of*

*various indices adversely after the budget when compared to before the budget.*