SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT			
Course Code	**22MBAFM304**	CIE Marks	**50**
Teaching Hours/Week (L:P:SDA)	**4:0:0**	SEE Marks	**50**
Total Hours of Pedagogy	**50**	Total Marks	**100**
Credits	**04**	Exam Hours	**03**

Course Learning objectives:

- To acquaint students with fundamental concepts of capital market and its instruments.
- To understand techniques to evaluate and analyze risk and return characteristics of securities such as individual stocks, mutual funds etc.
- To provide basic knowledge of the theories and practices of modern portfolio choice and investment decision

Module-1 (6 Hours)

Introduction to Investment: Investment Avenues, Attributes, Investor V/s speculator, Features of a good Investment, Investment Process.
Financial Instruments: Money Market Instruments, Capital Market Instruments, Derivatives.
Securities Market: Trading & Settlement Procedure, Stock Market Indicators- Indices of Indian Stock Exchanges (only Theory).

Module-2 (9 Hours)

Return and Risk Concepts: Concept of Risk, Causes of Risk, Types of Risk- Systematic risk- Market Price Risk, Interest Rate Risk, Purchasing Power Risk, Unsystematic Risk- Business risk, Financial Risk, Insolvency Risk, Risk-Return Relationship, Concept of diversifiable risk and non-diversifiable risk. Calculation of Return and Risk of Individual Security & Portfolio (Theory & Problems).

Module-3 (9 Hours)

Valuation of Securities: Bond – Meaning, features, types, determinants of interest rates, Bond Valuation, Bond Duration, Bond Management Strategies. Preference Shares- Concept, Valuation. Equity Shares- Concept, Valuation, Dividend Valuation Models, P/E Ratio valuation model. (Theory & Problems).

Module-4 (8 Hours)

Fundamental & Technical Analysis: Macro-Economic and Industry Analysis: Fundamental analysis-EIC Frame Work, Economy Analysis, Industry Analysis, Company Analysis- Financial Statement Analysis. Market Efficiency: Efficient Market Hypothesis, Forms of Market Efficiency, Empirical test for different forms of market efficiency. Technical Analysis – Concept, Theories- Dow Theory, Eliot Wave theory. Charts-Types, Trends and Trend Reversal Patterns. Mathematical Indicators –Moving Average Convergence-Divergence, Relative Strength Index (Theory only).

Module-5 (9 Hours)

Modern Portfolio Theory: Markowitz Model- Diversification, Portfolio Return, Portfolio Risk, Efficient Frontier. Sharpe's Single Index Model, Capital Asset Pricing Model: Assumptions, CAPM Equation, Capital Market Line, Security Market Line, CML V/s SML. Sharpe's Optimum Portfolio Construction. (Theory & Problems).

Module-6 (9 Hours)

Portfolio Management Strategies and Performance Evaluation: Portfolio Management Strategies: Active and Passive Portfolio Management strategy. Portfolio Revision: Portfolio Revision Strategies – Objectives, Performance plans. Mutual Funds: Concept of Mutual Funds, Participants in Mutual Funds, Advantages of Investment in Mutual Fund, Measure of Mutual Fund Performance. Portfolio performance Evaluation: Measures of portfolio performance (Theory & Problems).

Assessment Details (both CIE and SEE)

The weightage of Continuous Internal Evaluation (CIE) is 50% and for Semester End Exam (SEE) is 50%. The minimum passing marks for the CIE is 50% of the maximum marks. Minimum passing marks in SEE is 40% of the maximum marks of SEE. A student shall be deemed to have satisfied the academic requirements (passed) and earned the credits allotted to each course if the student secures not less than 50% in the sum total of the CIE (Continuous Internal Evaluation) and SEE (Semester End Examination) taken together.

Continuous Internal Evaluation:

There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE.

CIE Marks shall be based on:

a) Tests (for 25Marks) and

b) Assignments, presentations, Quiz, Simulation, Experimentation, Mini project, oral examination, field work and class participation etc., (for 25 Marks) conducted in the respective course. Course instructors are given autonomy in choosing a few of the above based on the subject relevance and should maintain necessary supporting documents for same.

Semester End Examination:

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks with 3 sub questions.
- Each full question will have sub question covering all the topics.
- The students will have to answer five full questions; selecting four full question from question number one to seven in the pattern of 3, 7 & 10 Marks and question number eight is compulsory.
- 40 percent theory and 60 percent problems in the SEE.

Suggested Learning Resources:

Books

1. Investment Analysis and Portfolio management, Prasanna Chandra, Tata McGraw Hill, 3/e, 2010.
2. Security Analysis & Portfolio Management, S Kevin, Tata McGraw Hill, 2014.
3. Security Analysis & Portfolio Management, Punithavathy Pandian, Vikas Publications, 2/e, 2018.
4. Security Analysis & Portfolio Management – Fisher and Jordan, 6/e Pearson, PHI.
5. Investments –Zvi Bodie, Kane, Marcus & Mohanty, TMH, 8th Edition, 2010.
6. Investment management (Security Analysis and & Portfolio Management), Bhalla V.K., Vikas Publications, 19/e, 2018.

Web links and Video Lectures (e-Resources):

- https://www.digimat.in/nptel/courses/video/110105035/L01.html
- https://www.youtube.com/watch?v=Fv63XWOlERM
- https://www.youtube.com/watch?v=NIjucusocFw
- https://www.digimat.in/nptel/courses/video/110105035/L02.html
- https://www.pdfdrive.com/investment-management-e1833037.html
- https://www.youtube.com/watch?v=5QuK8L1g2r4

Note: The aforesaid links and study materials are suggestive in nature, they may be used with due regards to copy rights, patenting and other IPR rules.

Skill Development Activities Suggested

- Each student will be given a virtual cash of Rs.10 Lakhs and they will be asked to invest in equity shares based on fundamental analysis throughout the semester. At the end the best investment will be awarded based on the final net worth. Virtual on line trading account can be opened for the student and every week 2 hours can be allotted to invest, monitor and evaluate.
- Students should study the stock market pages from business press and calculate the risk and return of selected companies.
- Students can do a macro economy using GDP growth.
- Students' are expected to do Industry analysis for specific sectors.
- Students can do Company analysis for select companies using profitability and liquidity ratios.
- Practice technical analysis using Japanese candle sticks.

01.02.2023

Course outcome

At the end of the course the student will be able to :

Sl. No.	Description	Blooms Level
CO1	Understand the capital market and various Instruments for Investment.	L2
CO2	Assess the risk and return associated with investments and methods to value securities.	L5
CO3	Analyze the Economy, Industry and Company framework for Investment.	L4
CO4	Learn the theories of Portfolio management and also the tools and techniques for efficient portfolio management.	L5

Mapping of COs and POs

	PO1	PO2	PO3	PO4	PO5	PSO 1	PSO 2	PSO 3	PSO 4
CO1	1				2	3			
CO2			2				2		
CO3				3				2	
CO4		2		2					3

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