

UNDERGRADUATE PROGRAMME IN COMMERCE

SEMESTER VI

PAPER NO - 15: SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Marks: 100 (Theory = 75, Internal Assessment = 25)

Objective: To familiarize students with different investment alternatives, introduce them to the framework of their analysis and valuation and also acquaint them with portfolio management and evaluation techniques.

Lectures: 48

Unit I: **8 Lectures**

The Investment Environment - The investment decision process, Types of Investments, the Indian securities market, the market participants, trading of securities, security market indices, Insider Trading.

Unit II: **4 Lectures**

Security Analysis – Concept of Return & Risk: Types & Sources.

Unit III: **8 Lectures**

Fixed Income Securities: Bond Fundamentals, Valuation of bonds, Estimating bond yields, Credit rating.

Unit IV: **15 lectures**

Equity Analysis: Fundamental Analysis, Technical Analysis. Valuation of equity shares. Efficient Market Hypothesis

UNIT V: **9 Lectures**

Portfolio Management: Portfolio & Diversification, Markowitz model (2 Security portfolios) & Capital Asset Pricing Model. Performance Evaluation Techniques: Sharpe, Treynor & Jensen Indices

Unit VI: **4 Lectures**

Introduction to Financial Derivatives – Forwards, Futures & Options.

Spreadsheet is the recommended software for doing basic calculations in finance and hence can be used for giving students subject related assignments for their internal assessment purposes.

READINGS:

Essential Reading:

1. Chandra, Prasanna, *Investment Analysis and Portfolio Management*, Tata McGraw Hill.
2. Bodie, Kane; Marcus & Mohanty, *Investments*, Tata McGraw Hill.

Suggested Reading:

1. Fischer, Donald E. and Ronald J. Jordan, *Security Analysis and Portfolio Management*, 6th Edition, Prentice Hall of India, 2007.
2. Reilly, Frank K., and Keith C. Brown, *Investment Analysis and Portfolio Management*, 8th Edition, Thomson, 2007.

Note: Latest edition of text book may be used.