

MBG5 021

Security Analysis and Portfolio Management

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| Course Code | MBG5 021 | Semester | IV |
| Course Title | <i>Security Analysis and Portfolio Management</i> | | |
| Credits | 3 | Type | Elective |

This is a practical and problem-based course that develops the investment management skills and portfolio management skills. It is an employability-based course.

Course Description

The course provides an in-depth knowledge of the theory and practice of Investment decision making process and portfolio management.

Course Outcome

By the end of the course, students are expected to be able to gain the following learning outcomes: -

1. Knowledge gained:
 - (i) Examine the various investment avenues
 - (ii) Understand the importance of investment
2. Skills gained:
 - (i) Evaluate the various investment alternatives available in the market
 - (ii) Analyze the Indian financial markets
 - (iii) Technical and Fundamental analysis
3. Competency gained:
 - (i) Realising the movements in the stock market and the factors influencing these fluctuations
 - (ii) Strategising financial investments
 - (iii) Evaluate the profitability of a portfolio

Course Structure

The following is a detailed syllabus.

MODULE I :

Introduction to investments - Nature and scope of investment decision - investment planning & policy, investment process – Investment alternatives - Govt. Securities - Money market instruments - equity bonds- mutual funds model derivative instruments - futures - options – commodity futures, index futures - stock futures - hedge funds. Risk and return, Asset allocation and security selection.

MODULE II :

Operations of Indian stock market and Bond markets, new issue market - Book building

process - listing - secondary market - online trading - dematerialisation - Depository services– Mechanics of investing - mutual fund types - performance evaluation.

MODULE III :

Valuation of fixed income securities - Bond valuation and yields - Bonds duration and yield analysis - Term structure theories-Common stock valuation - different valuation models – dividend and value of options, discounted cash flow models, pricing, earnings rating, valuation of options. Binomial option pricing model - Black scholes option model.

MODULE IV :

Security Analysis - Fundamental Analysis - Economic Analysis - Industry analysis - company analysis measuring earnings, forecasting earnings, applied valuation technical analysis – theory – flow theory, efficient market hypothesis.

MODULE V :

Portfolio-Introduction - Markowitz portfolio theory - mean variance criterion (MVC) - Nature of investment risk - MVC and portfolio selection - portfolio of two risky securities - AS security portfolio - Application of market model in portfolio construction, CAPM, APT – constructing the efficient frontier - constructing the optimum portfolio - portfolio performance evaluation.

Testing & Evaluation (if any)

- Assignments
- Case analysis/ Problems
- Seminar/Project
- Discussions/ Group activity
- Internal Assessment

References

- Kevin, (2006), Portfolio Management, , Prentice Hall of India
- Punithavathy Pandian (2012), Security Analysis and Portfolio Management, Vikas Publishing House
- E. Fischer Donald, J. Jordan Ronald, K. Pradhan Ashwini (2018) Security Analysis and Portfolio Management, Pearson.
- Zvi Bodie, Alex Kane, Alan J. Marcus, Pitabas Mohanty (2017), Investments, Tata MC Graw Hill.
- Prasanna Chandra, (2017), Investment Analysis and Portfolio Management, Tata MC Graw Hill
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