

Punyashlok Ahilyadevi Holkar Solapur University, Solapur



NAAC Accredited-2015
'B' Grade (CGPA 2.62)

Name of the Faculty: Commerce & Management

CHOICE BASED CREDIT SYSTEM

Syllabus: Security Analysis and Portfolio Management

Name of the Course: M.Com. I (Sem.– I & II)

(Syllabus to be implemented from w.e.f. June 2020)

M.COM: PART ONE

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT:

Course Objectives:

- The main objective of this paper is to explain the investment decision making and investment process. It focuses on the investment analyses.
- To develop a thorough understanding of the process of investments.
- To familiarize the students with the stock markets in India and abroad.
- To provide conceptual insights into the valuation of securities.
- To provide insight about the relationship of the risk and return and how risk should be measured to bring about a return according to the expectations of the investors.
- To familiarize the students with the fundamental and technical analysis of the diverse investment avenues
- To learn the Theories of Portfolio management and also the tools and techniques for efficient portfolio management.

Course Outcomes: At the end of this course students should be able to:

- To provide a theoretical and practical background in the field of investments.
- Designing and managing the bond as well as equity portfolios in the real world.
- Valuing equity and debt instruments.
- Measuring the portfolio performances.
- Portfolio management framework

1.	DETAILS	LECTURES
2.	<p>UNIT 1</p> <p>An overview.</p> <p>Conceptual Framework Investment alternatives</p> <p>Investment attributes</p> <p>How does various investment avenues compare?</p> <p>Investment versus speculation</p> <p>Financial markets</p> <p>Portfolio management process</p> <p>Sources of investment risk</p> <p>Approaches to investment decision making</p> <p>Investment alternatives:</p> <p>Non-marketable financial assets -Money market instruments</p> <p>Bonds or fixed income securities</p> <p>Equity shares-Mutual fund schemes Life insurance Real estate</p> <p>Precious objects.</p>	12
3.	<p>Unit 2</p> <p>Investment Environment: Features and composition of money market and capital market, money market, capital market instruments and financial derivatives</p> <p>Securities market:</p> <p>Primary equity market</p> <p>Secondary market and its operations</p> <p>Buying and selling shares</p> <p>Stock market abroad</p> <p>Government securities market</p> <p>Corporate dept market</p> <p>Money market</p> <p>Stock exchanges in India – BSE, OTCEI , NSE, ISE, and Regulations of stock exchanges – Trading system in stock exchanges –SEBI.</p> <p>Derivatives: Financial Derivatives – Meaning – Definition – Futures and Options</p> <p>– Pay-off in future and options – Stock and Index futures and options – Trading strategies</p> <p>– Commodity Derivatives – Structure of commodity exchanges – Commodity futures and options – Hedging using commodity futures.Options:</p>	14

4.	<p>Unit 3</p> <p>Fundamental Analysis: Economic Analysis – Economic forecasting and stock Investment Decisions – Forecasting techniques. Industry Analysis : Industry classification, Industry life cycle – Company Analysis Measuring Earnings – Forecasting Earnings – Applied Valuation Techniques – Graham and Dodds investor ratios. Technical Analysis: Tools of technical analysis, important chart formations or price patterns and technical indicators</p>	12
5.	<p>Unit 4</p> <p>Capital Asset Pricing Model (CAPM): Deals with the assumptions of CAPM and the inputs required for applying CAPM and the limitations of this Model</p>	08
5	<p>UNIT -5</p> <p>Portfolio management framework-Portfolio Analysis – Selection and Evaluation – Meaning of portfolio – Reasons to hold portfolio – Diversification analysis – Markowitz’s Model – Assumptions –Specific model – Risk and return optimization – Efficient frontier – Efficient portfolios –Leveraged portfolios – Corner portfolios – Sharpe’s Single Index model – Portfolio-evaluation measures – Sharpe’s Performance Index – Treynor’s Performance Index – Jensen’s Performance Index.</p>	14
		60

Suggested Readings:

1. Fisher & Jordon: Security Analysis and Portfolio Management
2. Jack clark Francis: Management of Investments Mc Graw hill.
3. Markowitz: Portfolio Selection yale University Press, yale.

4. Boltem: Security analysis and Portfolio Management.
5. Jones Tuttle, Heulton: Essentials of Modern Investments.
6. Prasannachandra, International management Tat McGraw Hill New Delhi.
7. Avdhani, V.A, Investment and Security Market in India, Himalaya Publishing house, 3 rd Edition.
8. Reilly & Brown, Investment Analysis and Portfolio Management, Cengage Learning, 8th edition, 2008
9. S. Kevin , Securities Analysis and Portfolio Management , PHI Learning , 2008.
10. Bodi, Kane, Markus, Mohanty, Investments, 6th edition, Tata McGraw Hill, 2007.
11. Securities Analysis and Portfolio Management, Himalaya Publishing House, 2008.
12. V.K. Bhalla, Investment Management, S.Chand & Company Ltd., 2008