

SEMESTER-VII

COURSE 20: INVESTMENT MANAGEMENT

Theory

Credits: 4

4 hrs/week

Course objectives:

Understand different investment alternatives in the market • Understand how securities are traded in the market • Be able to analyze and price different securities • Be able to manage a portfolio • Understand basics in derivative

Learning Outcomes:

- The course introduces the concepts of investment.
- The course aims to give investment planning decisions and modern investment alternatives.
- Different topics such as risks and valuation of investment are to be discussed.
- In this course, we will also examine the time value of money, equity and bond valuation.
- The other important topics discussed in this course are primary and secondary market and fundamental analysis of the investment.

Syllabus:

Unit 1: Investment:

Investment – Primary and Secondary Objectives – Investment vs. Speculation- Investment Process – Investment Information- Personal financial planning – Risk Profiling.

Unit 2: Investment Risk:

Systematic & Unsystematic risks – Calculation of risk – Probability & Non-probability risks – Investment Return – Capital and Revenue Return – Calculation of Returns.

Unit 3: Investments:

Bank deposits, post office savings scheme, NBFC deposits, Gold and silver, Real Estate, Equity shares, Bonds and Government securities, Mutual funds, life insurance, Tax Savings, Derivatives & Modern Investment alternatives.

Unit 4: Time value of Money:

Time value of Money – Present Value Interest Factor - Present Value Interest Factor Annuity - Future Value Interest Factor - Future Value Interest Factor Annuity – Equity Valuation – Bond Valuation – Yield to Maturity – Problems in Valuation of Investment.

Unit 5: Primary vs. Secondary Market:

Primary vs. Secondary Market Fundamental Analysis – Economic Analysis – Industry Analysis
– Company Analysis – Financial Analysis

Practical Components:

- Students should learn the basics of investment and differences between investment and speculation.
- All the students should learn the systematic risk and unsystematic risk also how to calculate the risks.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discuss different types of deposits.
- Students should analyse the concept of time value of money.

Reference Books

1. Rustagi R P, Investment Analysis & Portfolio Management, Sultan Chand & Sons, New Delhi.
2. Pandian Punithavathy Security Analysis & Portfolio Management, Vikas Publishers, New Delhi, 2010.
3. Chandra Prasanna, Investment & Portfolio Management, Tata McGraw-Hill, New Delhi, 2011
4. Natarajan, Investment Management, Margham Publishers, Chennai, 2012.