

SEMESTER-VIII

COURSE 25: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Theory

Credits: 4

4 hrs/week

Course objective:

To enlighten the students with the Concepts and Practical applications of Measure risk and return of different security instruments and portfolio.

Learning outcomes:

After completion of the course, the student is able to

- Understand the various forms of investment, security Markets and other concepts.
- Understand risks associated with investment.
- Measure risk and return of different security instruments and portfolio.
- Analyse the fundamental strength of stocks and predict the price trends of securities using technical analysis and valuation of stocks and fixed income securities.
- Evaluate the performance of portfolio.

Syllabus:

Unit 1: Concept of Investment:

Objectives – Investment Vs Speculation – Security Investment Vs Non-security Forms of Investment – Investment Process – Sources of Investment Information –Security Markets – Primary and Secondary – Market Indices.

Unit 2: Return and Risk:

Meaning and Measurement of Security Returns – Types of Security Risks – Systematic Vs Non-systematic Risk – Measurement of Total Risk.

Unit 3: Fundamental Analysis of Stocks:

Economy, Industry and Company Analysis, Intrinsic Value –Approach to Valuation of Bonds, Preference Shares and Equity Shares.

Unit 4: Technical Analysis:

Concept and Tools of Technical Analysis – Technical Analysis Vs Fundamental Analysis – Efficient Market Hypothesis – Concept and Forms of Market Efficiency.

Unit 5: Elements of Portfolio Management:

Portfolio Models – Markowitz Model, Efficient Frontier, Sharpe Single Index Model and Capital Asset Pricing Model – Performance Evaluation of Portfolios – Sharpe Model, Treynor model – Jensen’s Model for PF Evaluation – Portfolio Revision.

Practical components:

- Students should learn the concept of investment also differences between investment and speculation, sources of investment information.
- Analyse the measurement of security returns and types of security 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 collect information regarding concept and forms of market efficiency
- Students should analyse the elements of portfolio management.

Reference Books:

1. Fisher and Jordan, Security Analysis & Portfolio Management 6e, (2011) Pearson, PHI.
2. S. Kevin, Security Analysis & Portfolio Management, 2e (2015) Prentice Hall India.
3. Avadhani VA, Securities Analysis & Portfolio Management, 9e (2017) Himalaya Publishing House.
4. Prasanna Chandra, Investment Analysis and Portfolio Management 3e, (2011) Tata McGraw-Hill Education
5. P. Pandian, Security Analysis and Portfolio Management, 1e (2014), Vikas Publishing House Pvt. Limited.