SEMESTER -VI

SECURITIES ANALYSIS AND PORTFOLIO MANAGEMENT

Programme: B.Com (Honours)
Course Code: U20/COM/DSE/604A **Max. Hours: 75**
Course Type : DSE **Max Marks: 100 (40:60)**
No. of Credits: 4 **Hours per week: 5**

Course Objectives :

To familiarize the student with basic concept of securities and portfolio analysis and to acquaint the students with the process of portfolio selection creation and management

Course Outcomes :

CO1 : Understand the relevance of Fundamental Analysis in Investment Decisions

CO2 : Develop the ability to measure risk and return associated with securities and Portfolio.

CO3 : Develop the ability to use diversification strategy and CAPM to reduce risk in Investment decisions

CO4: Develop skills to evaluate and measure Portfolio performance using various indexes.

CO5: Apply the principles of portfolio management and construct an efficient portfolio

MODULE I: SECURITY ANALYSIS **15 Hours**

Need for Fundamental analysis - Economic analysis - Tools of Economic analysis – Industry Analysis – Industry analysis - Tools of Industry analysis - Company analysis - Tools of Company analysis - Technical analysis – Introduction Assumptions of the theory – The Dow theory – Charts – Line charts , Bar Charts – Construction of charts – Moving average analysis.(Theory Only).

MODULE II: PORTFOLIO ANALYSIS **15 Hours**

Risk management - Risk of Securities -. Systematic Risk - Interest Rate Risk - Market Risk - Purchasing Power Risk - Unsystematic Risk - Business Risk - Financial Risk – Efficient Market Theory - Measurement of Risk and Return, Expected Return, Standard Deviation and Variance of Securities. Portfolio Analysis. Traditional Vs Modern - Rationale of Diversification - Markowitz Theory - Effect of Combining two securities - Measurement of Expected Return of Portfolio - Portfolio Risk (including simple Problems).

MODULE III: PORTFOLIO SELECTION **15 Hours**

Measurement of Interactive Risk through covariance- correlation Coefficient between securities - Reduction of Portfolio Risk through diversification (with two securities only). Portfolio Selection - efficient set of Portfolios - Optimal portfolio (including simple Problems). capital asset pricing model**:** Assumptions- Security market line(SML)- Capital Asset Pricing Model (CAPM) –Assumptions of CAPM - Testing the CAPM – Limitations of CAPM.

MODULE IV: PORTFOLIO EVALUATION **15 Hours**

Measures of portfolio performance - Reward to variability and rewards to volatility - Sharpe's performance index - Treynor's performance index - Jenson's performance index (Including problems)

MODULEV: PORTFOLIO REVISION **15 Hours**

Passive Management – Active Management – The Formula plans for the purchase &sale of securities – Rupee cost averaging – Constant rupee plan – Constant ratio plan –
Portfolio revision & cost (theory only)

Suggested Readings:

1. Reilly: Investment Analysis and Portfolio Management, Thomson
2. Fisher Donald E & Ronald J Jordan: Securities Analysis & Portfolio Management, PHI
3. Francaia Jack Clark & Richard W Taylor: Theory & Problems of Investment, Mcgraw
4. PunithavathiPundyan: Securities Analysis & Portfolio Management, Vikas
5. Avadhani, V.A: Investment & Security Management in India, Himalaya
6. Gangadhar V: Investment Management, Anmole
7. Sulochana M: Investment Management, Kalyani
8. Strong: Practical **I**nvestment Management, Thomson
9. Avadhani, V.A: International finance, Himalaya.

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MODEL QUESTION PAPER

Course Code: U20/COM/DSE/604A **Max Marks 60**
Credits : 4 **Time : 2 Hrs**

PART A

I) Answer any FIVE from the following EIGHT questions **5 x 2 = 10 Marks**

PART B

II) Answer All questions **5 x 10 = 50 Marks**

2 questions from each module with internal choice