Finance

Sem III

I>Course Content:

Semester	III Core
Subject	Security Analysis and Portfolio Management
Course Code	MMSFC303 (RGCMS)
Credits	4
Duration	40

Learning Objective:

1	To understand the factors affecting the prices of different assets and to create an optimum portfolio based on given risk conditions.
2	To understand the need for continuous evaluation and review of the portfolio with different techniques.
3	To learn technical analysis to predict price movements based on indicators and forecasting techniques.

Prerequisites if any	This subject requires basic knowledge of Financial Management, Financial Markets and Institutions.

Module

Sr. No.	Content	Activity	Course Outcomes
1.	Introduction to securities	Lecture and classroom discussion	MMSFC303.1
2.	Securities - Risk and return analysis Types of securities, probability v/s absolute loss in risk management, volatility in prices, statistical tools for risk calculation.	Lecture and exercises	MMSFC303.1
3.	Efficient Market Hypothesis Random walk theory, significance, usage.	Lecture and exercises	MMSFC303.2
4.	Equity research and valuation Sources of financial information, industry analysis, company analysis, valuation of equity shares.	Lecture and problem solving	MMSFC303.2
5.	Fixed income security analysis Systematic and unsystematic		MMSFC303.3
6.	Indexing and Benchmarking Creation of an index, adjusting for corporate adjustments in the index, tracking an index.	Lecture and problem solving	MMSFC303.3
7.	Technical analysis Dow theory, types of charts. Japanese candle stick patterns, chart patterns, technical indicators.	Lecture and problem solving	MMSFC303.4
8.	Capital market theories Capital asset pricing model, portfolio	Lecture	MMSFC303.4

	risk and return.		
9.	Factor models and arbitrage pricing theory Factor based valuation models, Risk free arbitrage.	Classroom discussion	MMSFC303.5
10.	Investment decision theory Timing, allocation, buy, hold, sell, short.	Problem solving	MMSFC303.5
11.	Portfolio theory Construction and analysis, portfolio optimization, portfolio management strategies, portfolio performance measurement.	Classroom discussion	MMSFC303.6

II>Course Outcomes

Course Code	Course Outcomes Students will be able to..	Cognition
MMSFC303.1	CO1: apply the risk, return analysis and understand the basics of securities	Apply
MMSFC303.2	CO2: apply different valuation models for calculating prices of equity shares	Apply
MMSFC303.3	CO3: analyze the fixed income securities and understand indexing	Analyse
MMSFC303.4	CO4: apply capital market theories and understand technical analysis	Apply
MMSFC303.5	CO5: apply factor based models and understand investment decision theory	Apply
MMSFC303.6	CO6: understand portfolio theory and its diversification	Understand

Text books

Sr. No.	Books
1	Prasanna Chandra , Security Analysis and Portfolio Management.
2	Donald E Fischer, Roland J Jordan, Security Analysis and Portfolio Management.

Reference Books

Sr. No.	Books
1	Steven Achelis , Technical Analysis.
2	John Murphy , Technical Analysis of Financial Markets.