Elective Course 1: Security Analysis and Portfolio Management

Course Type:	PS: Program Specialisation	Course Credits:	2
Course Code:	F3PE509	Course Duration:	30 Hours

Course Objective:

- To introduce fundamental concepts of investments and distinguish among investment, speculation, and gambling.
- To equip students with analytical tools to evaluate risk-return profiles of various securities.
- To foster understanding of equity valuation using fundamental analysis, including economic, industry, and company-level assessments.
- To familiarize students with indexing, benchmarking, and decision-making frameworks for portfolio construction.
- To develop practical skills in portfolio management using modern portfolio theories, including asset allocation and performance measurement.

Course Outcomes:

- CO1: Explain the fundamental concepts of investment, including its objectives, types, and how it differs from speculation and gambling
- CO2: Analyze risk and return characteristics of different securities, including the use of statistical tools, volatility measures, and capital market theories such as CAPM.
- CO3: Evaluate investment opportunities through fundamental equity research, applying company, industry, and economic analysis.
- CO4: Apply indexing, benchmarking, and investment decision theories to track indices and make informed asset allocation decisions.
- CO5: Construct and evaluate portfolios using modern and post-modern portfolio theories.

Unit / Module	Content	CO Mapping	Hours Assigned
1	Introduction to Investment & Securities- Meaning, Nature, Objectives and Process. Difference Between Investment and Speculation, Investment and Gambling.	CO1, CO4	3

	Various Investment Avenues / Alternatives.		
2	Securities- Risk and Return Analysis-Types of Securities, Probability v/s absolute Loss in risk management, volatility in prices, risk calculation, Systematic, unsystematic risk	CO1, CO2	3
3	Efficient Market Hypothesis-Random Walk theory, Significance, usage	CO2	3
4	Equity research and Valuation-Sources of Financial Information, Economic Analysis, Company analysis, Industry analysis, and valuation of equity shares.	CO3, CO2	4
5	Indexing and Benchmarking - creation of Index, adjusting for corporate adjustments in the Index, tracking an index.	CO1, CO2, CO4	3
6	Technical Analysis-Dow theory, types of charts. Japanese candle stick pattern, chart patterns, technical indicators.	CO2, CO4	3
7	Capital market theories-Capital asset pricing model	CO2, CO3	3
8	Factor models and arbitrage pricing theory-factor based valuation model, risk free arbitrage	CO2, CO3	3
9	Investment decision theory-Timing, buy, sell, short, hold, allocation.	CO4, CO2, CO5	2
10	Portfolio theory-Construction and analysis, portfolio performance measurement, Post Modern Portfolio	CO2, CO4, CO5	3

	Theory		

Text Books:

1. Prasanna Chandra, Security Analysis and Portfolio Management
2. Donald Fische and Ronald Jordan, Security Analysis and Portfolio Management.
3. Dr. Sudesh Kumar & Dr.Ravi Sidhu, Security Analysis and Portfolio Management.
4. "Best Practices for Equity Research Analysts: Essentials for Buy-Side and Sell- Side Analysts" by James J. Valentine
5. "Security Analysis" by Benjamin Graham and David Dodd - Whittlesey House, McGraw-Hill Book Company
6. The Intelligent Asset Allocator: How to Build Your Portfolio to Maximize Returns and Minimize Risk by William J. Bernstein

Reference Books

1. Fabozzi, The Handbook of Fixed Income Securities.
2. Anthony Saunders, Financial Markets and Institutions.
3. Meir Kohn, Financial Institutions & Markets.
4. Gordon and Natrajan, Financial Markets and services
5. Jeff Madura, Financial Institutions and Markets
6. Bhole and Mahakud, Financial Institutions and Markets