

FIN611:INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Course Outcomes: Through this course students should be able to

CO1 :: assess the characteristics of different Investment alternatives and how to trade in the stock market.

CO2 :: apply different valuation models to find the intrinsic value of the shares.

CO3 :: use the fundamental and technical analysis to predict the stock price movement.

CO4 :: evaluate the portfolios performance on the basis of risk and return.

Unit I

Introduction to Security Analysis : Securities Market Structure, Major Indian Stock Exchanges, Stock Exchange Players, Investment Objectives, Investment Process, Investment Alternatives, Investment Alternatives Evaluation, Common Error in Investment Process

Risk and Return : Concept of Return, Measurement of Return, Concept of Risk, Types of Risk, Measurement of Risk

Unit II

Equity valuation : Balance Sheet Valuation, Dividend Discount Model, Free Cash Flow Model, Earning Multiplier Approach

Efficient Market Hypothesis : Forms of EMH, Test for EMH

Depository system : Depository process and participants, Calculation of sensex and nifty, Functioning of demat account

Listing of securities : Listing and delisting process

Unit III

Fundamental Analysis : Industry analysis, Economic Analysis, Company analysis, Introduction to Fundamental Analysis, Financial health

Technical Analysis : Technical Indicators, Dow Theory, Fundamental v/s Technical Analysis, Elliot Wave Theory, Chart patterns

Unit IV

Portfolio Construction and Management : Portfolio risk, Portfolio return, Diversification, Markowitz model, Portfolio risk and return with different correlations, Efficient frontier, Optimal Portfolio, Capital Asset Pricing Model, Arbitrage Theory

Unit V

Derivative and Regulatory Aspect : Meaning and reasons of derivative trading, Types of derivatives, Regulation of market, Classification of shares, Mutual funds, Fintech scope and challenges, Algo trading issues and development, Robo advisors

Unit VI

Evaluation of Portfolio Performance : Sharpe's performance index, Treynor's Performance Index, Jensen Performance Index

Portfolio Revision : Active and Passive Management, Rupee Cost Averaging, Constant Rupee Plan, Constant Ratio Plan, Variable Ratio Plan

Text Books:

1. SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT by K SASIDHARAN & ALEX K MATHEWS, MCGRAW HILL EDUCATION

References:

1. SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT by PUNITHAVATHY PANDIAN, VIKAS PUBLISHING HOUSE