



---

**Course Hand-out Part II**

**Date: 12 Jan 2016**

In addition, to part -I (General Handout for all courses appended to the timetable), this portion gives specific and elaborate details regarding the course, its contents and evaluation components.

**Course No:** ECON F 412 / MGTS C 412 / FIN F 313 / MBA C 437

**Course Title:** SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

**Instructor in charge:** RAJAN PANDEY

**1. Scope & Objective: Introduce students to the Analysis of Financial Securities and Undertake Investment Decisions**

*The scope and objective of the course is to introduce:*

- Types of financial securities and discuss their salient characteristics
- 'The Financial System' with an emphasis on Indian stock market
- Investment philosophy and its role in asset allocation and long term personal finance management
- Modern portfolio theories and their applications in portfolio design and evaluation
- Fundamental analysis approach to valuation of financial instruments
- Technical Analysis of share price data
- Financial derivative contracts and their applications

**After completing this course, the student shall be able to:**

- Learn and apply concepts of investment analysis and undertake sound financial decisions
- Identify different types of risks while investing in financial markets and instruments
- Distinguish various classes of financial securities such as stocks, bonds, and derivatives based on their risk-return profiles and other characteristics
- Learn techniques to analyze and value these instruments





- Carry out fundamental analysis and identify key variables for evaluating intrinsic worth of a firm
- Interpret few technical chart patterns on historical stock prices and make buy/sell decisions
- Understand the mechanics of derivative contracts trading and develop various strategies for hedging and speculation using derivative instruments
- Interpret business newspaper (such as Business Standard, The Economic Times, The Financial Express etc.) and enhance general awareness about domestic economy as well as prospects on global markets

**Important Note:** Consider the concepts learned in this course as a general guideline for managing personal finances and not as specific advice towards meeting financial goals and objectives.

## 2. Text book (TB):

Reilly Frank K. and Keith C. Brown, **Analysis of Investments & Management of Portfolios**, 10<sup>th</sup>/E, Cengage Learning, 2012

## 3. Reference books (R):

1. D.E. Fisher and R.J. Jordan - Security Analysis and Portfolio Management, Prentice-Hall/Pearson Edu., 6<sup>th</sup> Edition, 1995
2. Russell J. Fuller & James L. Farrell – Modern Investment & Security analysis - McGraw Hill, International Ed.
3. J.C. Francis, Investments: Analysis and management, 5<sup>th</sup> Ed., 1991, McGraw Hill, Singapore
4. M.Ranganatham & R. Madhumathi: Investment Analysis & Portfolio Management, Pearson Education.

## 4. Comprehensive Course Plan:

Lecture No.	Learning Objectives	Topics to be covered	Reference
1-5	Introduction	Principles of accounting, introduction to financial statements, introduction to market, business, types of instruments	Class Notes
6-12	Exposure to investment climate, risk and return	Introduction to investments, risk and return, investor life cycle, securities and its various types, global security markets, organization and functioning of security markets, indexes and their calculations, types of orders, trading mechanism, common stock exchange problems, margin trading	Chap 1-2 and 4-5 (TB) and Class Notes





13-21	Modern Portfolio Theory	Efficient Market Hypothesis, Markowitz's mean-variance portfolio theory, Capital market theory, Security market line, Asset Pricing Models	Ch. 6, 7, 8, Class Notes
22-27	Valuation of Financial Instruments	Analysis of Financial Statements, Security valuation principles	Ch 10, 11
28-32	Time Value of Money and Fixed Income instruments (Bonds)	Time Value of Money, Bond Valuation, concept of yield to maturity, yield-price relationship	Ch 17-18 and Class Notes
33-40	Exposure to Fundamental Analysis and Technical analysis approach to Security valuation	Economy, industry & company analysis, Models of security valuation (Cash Flow Model and Dividend Discount Model), Multiple Growth rates	Chap 12, 13, 14, 16 (TB)
41-46	Derivatives	Introduction to Options, Futures, Forwards, derivatives trading mechanics, pay-off diagrams, application of derivatives in hedging and speculation	Chap 20-22(TB) select topics, Class Notes

#### 5. Evaluation Scheme – Maximum Marks 200

EC No.	Components	Duration	Weight-age (%)	Date, Time	Nature of Component
1	Mid-semester Test	90 min	35	17/3 9:00 - 10:30 AM	Partially OB
2	Quizzes	Best 2 out of 3	10		CB
3	Assignment ( <b>Tentative</b> )	-	15	To be discussed	Take home
4	Comprehensive Exam	3 hrs	40	10/5 FN	Partially OB





BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE, Pilani  
Pilani Campus  
Instruction Division

---

**6. Chamber Consultation Hour:** Tuesday 4:00 - 5:00 PM and Sat 12:00 - 1 PM (Chamber no: 6165-G)

In addition, students and instructor can schedule meeting at mutually agreed time (rajanpandey@pilani.bits-pilani.ac.in).

**7. Notice:** All notices pertaining to this course shall be displayed on Economics and Finance Dept. notice board. Students must regularly check their **BITS e-mail account** for course related announcements/notices.

**Instructor in charge**  
**ECON F 412 / MGTS C 412 / FIN F 313 / MBA C 437**



---

Please Do Not Print Unless Necessary

