**Syllabus for Master of Business Administration, 3rd Semester**

**Functional Area Specialization: Finance Management**

**Subject Name: Security Analysis and Portfolio Management (SAPM)**

# Subject Code: 4539221

**With effective from academic year 2018-19**

# Learning Outcomes:

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| --- | --- |
| **Learning Outcome Component** | **Learning Outcome** |
| Business Environment and Domain Knowledge (BEDK) | * Describe the characteristics of different financial assets. Classify financial assets on multiple bases. |
| Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI) | * Illustrate the correct use of tools for financial analysis for investment purposes. * Evaluate securities using different valuation models. |
| Global Exposure and Cross- Cultural Understanding (GECCU) | * Identify the working of global financial markets and instruments. |
| Social Responsiveness and Ethics (SRE) | * Defend the need for ethical practices in the field of portfolio management. |
| Effective Communication (EC) | * Ability to comprehend the importance of communicating features and benefits of financial products. * Ability to understand client requirements, and communicate tailor-made financial solutions. |
| Leadership and Teamwork (LT) | * Demonstrate the ability to work independently or as part of team, for managing investment portfolios. |

1. **Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

# Course Contents:

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| --- | --- | --- | --- |
| **Module No:** | **Contents** | **No. of Sessions** | **70 Marks**  **(External Evaluation)** |
| **I** | **Introduction to Investment:**   * Introduction * Investment vs. Speculation, Investment vs. Gambling * Investment Objectives, Investment Attributes * Investment Process * Security Analysis vs. Portfolio Management * Portfolio Management Process * Meaning and Types of Returns   + Holding Period return **(Theory and numerical).**   + Expected return–Annualized return – measurement of return. * Risk – Types of Risk – Measurement of Risk **(Theory and numerical).** | 10 | 18 |
| **II** | **Security analysis:**   * Fundamental Analysis:   + Economic, Industry and Company Analysis, Forecasting earnings, Efficient Market Hypothesis, Different Forms of EMH and their Empirical Tests * Technical Analysis:   + Charting Tools, Market Indicators, Dow Theory, Elliot Wave Theory, Random Walk Theory * Introduction to Behavioral Finance | 10 | 18 |
| **III** | **Selection / Construction of Securities by applying** | 10 | 17 |
|  | **theories:**   * Markowitz Model - Efficient Frontier * Constructing an Optimal portfolio using Sharpe’s Single Index Model **(Theory and numerical).** * Capital Market Theory: CML, SML, Capital Asset Pricing Model, Arbitrage Pricing Theory **(Theory and**   **numerical).** |  |  |
| **IV** | **Portfolio Management & Measurement:**   * Portfolio execution * Portfolio Revision and Performance Evaluation   **(Theory and numerical).**  **Bonds & Valuation:**   * Bond prices & Yields **(Theory and numerical).** * Types of bonds. * Duration of Bonds **(Theory and numerical).** * Bond Management Strategies, Analysis of Bonds (Rating). | 10 | 17 |
| **V** | **Practical:**   * EIC analysis of any selected Industry/ Company. * Application of Valuation on Equity and bonds for its selection * Application of CAPM theory. * Creating a portfolio using Sharpe Portfolio Selection. * Portfolio evaluation Mutual Fund Schemes. etc. * **Movie based learning: Wall street & Rogue Trader, Inside Job, Big Short, Wolf of Wall**   **Street etc.** | --- | (30 marks CEC) |

1. **Pedagogy:**
   * ICT enabled Classroom teaching
   * Case study
   * Practical / live assignment
   * Interactive class room discussions

# Evaluation:

Students shall be evaluated on the following components:

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| **A** | **Internal Evaluation** | **(Internal Assessment- 50 Marks)** |
| * Continuous Evaluation Component | 30 marks |
| * Class Presence & Participation | 10 marks |
| * Quiz | 10 marks |
| **B** | **Mid-Semester examination** | **(Internal Assessment-30 Marks)** |
| **C** | **End –Semester Examination** | **(External Assessment-70 Marks)** |

# Reference Books:

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| --- | --- | --- | --- | --- |
| **No.** | **Author** | **Name of the Book** | **Publisher** | **Year of Publication / Edition** |
| 1 | Prasanna Chandra | Investment Analysis & Portfolio  Management | McGraw Hill | 2017 / 5th |
| 2 | Donald E. Fisher, Ronald J. Jordan, Ashwini K. Pradhan | Security Analysis  & Portfolio  Management | Pearson | 2018 / 7th |
| 3 | Robert A. Haugen | Modern Investment  Theory | Pearson | 2017 / 5th |
| 4 | P. Pandian | Security Analysis  & Portfolio  Management | Vikas Publishing | 2013 / 2nd |
| 5 | S. Kevin | Security Analysis  & Portfolio  Management | PHI learing | 2015 / 2nd |
| 6 | Frank K. Reilly, Keith C. Brown | Investment Analysis and Portfolio  Management | Cengage | 2011 / 10th |
| 7 | Bruno Solnik, Dennis  McLeavey | Global Investments | Pearson | 2014 / 6th |

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

# List of Journals/Periodicals/Magazines/Newspapers / Web resources, etc.

1. The Journal of Portfolio Management
2. International Journal of Portfolio Analysis and Management
3. Economic Times
4. Financial Express
5. Capital Market
6. Business Today