

Course Code	Course Title	L	T	P	C
BHUM222L	Security Analysis and Portfolio Management	3	0	0	3
Pre-requisite	NIL	Syllabus version			
		1.0			
Course Objectives					
1. To create awareness about functions and structure of financial markets and institutions 2. To make students understand the nuances of investment decision making 3. To achieve investment advisory skills					
Course Outcomes					
Upon successful completion of the course students will be able to 1. Describe the linkages between Macroeconomic environment and financial markets. 2. Explain theoretical foundations of financial markets. 3. Demonstrate skills in financial statement analysis. 4. Apply financial security analysis. 5. Execute portfolio construction and evaluation techniques. 6. Demonstrate professional investment advisory skills.					
Module:1 Macroeconomics and Financial Market					6 hours
Financial Markets and the Economy- Economic Growth, Business Cycles, Inflation, Interest Rates, Commodity Prices. Monetary and Fiscal Policy. Global Economic Indicators. Financial Market - Instruments – Institutions - Regulatory Framework. Trading: Trading mechanics – Types of Orders – Margins.					
Module:2 Investment Theories					7 hours
Risk and Return – Mean, Variance, Covariance and Standard Deviation. Efficient Market Hypotheses- Random Walk – Modern Portfolio Theory – Dow Theory. Mean – Variance Portfolio Theory - Beta – Capital Asset Pricing Model (CAPM). Security Market Line (SML) Efficient Frontier. Portfolio Models. Index Models – Single and Multi -Index Models. Fama- French Model.					
Module:3 Financial Statement Analysis					6 hours
Financial Statements – Standalone Vs Consolidated – Analysis of Balance Sheet, Profit and Loss and Cash flow Statement. Ratio Analysis – Investment Related Ratios (Return, Operating and Profitability Ratios). Common size and Comparative size Statement Analysis.					
Module:4 Fundamental and Technical Analysis					5 hours
Economy – Industry - Company Analysis - Top down approach-Value investing principles - Short term vs Long term investing - Qualitative and Quantitative factors. Valuation models. Technical Analysis - Chart Types – Candle Chart, Bar Chart, Line Chart – Chart Patterns – Candle Patterns. Technical Indicators – Oscillators – Rule Based Trading Strategies.					
Module:5 Equity Valuation					7 hours
Cost of capital – Weighted Average Cost of Capital (WACC) - Growth estimation - cash flow estimation – Discounted Cash Flow (DCF) models. Stock Valuation: Stock Valuation models - Dividend Discount Models, Price-Earnings Ratio, Free Cash flow - Valuation Approaches.					
Module:6 Fixed Income Securities					5 hours
Bonds - Corporate and Government securities - Treasury Securities - Types. Bond - Yield,					

Maturity and Bond valuation - duration and modified duration - Bond Portfolio Strategies.			
Module:7 Portfolio Management			7 hours
Diversification and Portfolio Risk, Combination of risky assets – Portfolio possibilities curve. Portfolio Management Process - tools and techniques, Sharpe Ratio, Jensen Alpha and Treynor Index. Coffee Can Investing. Mutual Funds and Alternate Investments - Mutual Funds – Classification – Mutual Fund Investments – Systematic Investment Plan (SIP) - Hedge Funds - Real Estate Investment Trusts (REITs).			
Module:8 Contemporary Issues			2 hours
Total Lecture Hours			45 hours
Text Book(s)			
1.	Zvi Bodie, Alex Kane, Alan J. Marcus and Pitabas Mohanty (2019), Investments, McGrawHill, 11 th Edition.		
2.	Prasanna Chandra (2021), Investment Analysis and Portfolio Management, McGraw Hill, 6 th Edition.		
Reference Books			
1.	Frank Reilly and Keith C Brown (2019), Investment Analysis and Portfolio Management, Cengage, 11 th Edition.		
2.	Charles P Jones (2016), Investments: Principles and Concepts. Wiley Finance, 12 th Edition. Edwin J Elton, Martin J Gruber, Stephen J Brown and		
3.	William N.Goetzmann (2015), Modern Portfolio Theory and Investment Analysis. John Wiley, 9 th Edition.		
Mode of Evaluation: CAT, Quiz, Assignment and FAT			
Recommended by Board of Studies		23-02-2023	
Approved by Academic Council	No. 69	Date	16-03-2023