

KALINGA COLLEGE OF COMMERCE, BHUBANESWAR

Core XVII Fundamentals of Securities Analysis and Portfolio Management

Course Objectives

To expose the students on the various avenues available for effective investment and possible way to avoid risk in investments through portfolio Management.

Course Outcomes

After completion of the course, learners will be able to:

- Understand the basic concepts of security and portfolio
- Analyze the individual security
- Construct and Manage a Portfolio
- Evaluate and revise the portfolios

Unit I

- Introduction to Security: Nature and Scope of Security Analysis; Savings vs. Investment, Elements of Investment, Objectives of Investment, Investment Philosophy, Types of Investor, Investor, Speculator & Gambler, Investment Avenues, Features of Investment, Process of Investment, Contemporary Issues in Investment Management.
- Measurement of Risk and Return: Measurement of Stock Return, Systematic Risk and Unsystematic Risk, Measurement of Beta. Measuring Risk and Return in Practice (Using Ms-Excel).

Unit-II

- Equity Analysis: Fundamental Analysis: Economic Analysis, Industry Analysis and Company Analysis. Technical Analysis: Various Prices and Volume Indicators, Indices: Various Types of Trends and Indices.
- Market Efficiency: Concept and Importance, Random Walk Theory, the Efficient Market Hypothesis. Forms of Market Efficiency, Testing Different Form of Market Efficiency Using MS-Excel/SPSS

Unit-III

Portfolio Management: Meaning, Importance and Objectives, Phase of Portfolio Management. Portfolio Analysis: Estimating Rate of Return and Standard Deviation of Portfolio Returns; Effects of Combining Securities; Markowitz Risk-Return Optimization.

Unit-IV

Single Index Model: Portfolio Risk: Portfolio Market Risk and Unique Risk, Sharpe's Optimization Solution. Capital Asset Pricing Model and Its Assumptions, Capital Market Line, Security Market Line; Risk Free Lending and Borrowing. Arbitrage Pricing Theory and Multifactor Asset Pricing Models

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Suggested Readings

- ✓ Barua, Raghunathan and Verma: Portfolio Management, Tata McGraw Hill, Delhi.
- ✓ Bhalla V. K. - Investment Management, Portfolio Analysis - S. Chand, New Delhi.
- ✓ Clark, James Francies: Investment management. McGraw Hill, International Edition, New York.