



Course Hand-out Part II

Date: 11th January, 2024

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 / FIN F 313

Course Title: SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Instructor in charge: Prof. Arya Kumar

Instructor: Rajan Pandey

1. Scope & Objective: Introduce students to financial securities analysis and undertake investment decisions. The focus of the course is to give an insight into the evaluation and analysis of a wide range of financial securities, thereby developing techniques for designing an optimal portfolio.

The objectives of the course are to provide an introduction to:

- Types of financial securities and their salient characteristics
- 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 and technical analysis of financial instruments
- Financial derivative contracts and their applications

Learning Outcomes:

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

- Learn and apply concepts of investment analysis and undertake investment decisions
- Identify different types of risks inherent in financial 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 common 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

2. Textbook (TB):

Reilly Frank K. and Keith C. Brown, Analysis of Investments & Management of Portfolios, 10thEd., Cengage Learning, 2012

3. Reference books (R):

- Fisher and Jordan, Security Analysis and Portfolio Management, Pearson, 6th Ed.
- Eugene F. Brigham and Michael C. Ehrhardt, Financial Management: *Theory and Practice*, 12thEd., Cengage Learning, 2013
- Robert A. Strong, Portfolio Construction, Management, and Protection, 4thEd., Thomson SouthWestern, 2007
- Zvi Bodie, Alex Kane, Alan J. Marcus and Pitabas Mohanty, Investments, 8thEd., Tata McGraw Hill Education, 2009
- Aswath Damodaran, Damodaran on Valuation: *Security Analysis for Investment and Corporate Finance*, 2nd Ed., Wiley India, 2009
- Frank J. Fabozzi, Bond Markets, Analysis and Strategies, 8th Ed., Pearson, 2014

4. Comprehensive Course Plan:

Lecture No.	Learning Objectives	Topics to be covered	Reference
1-7	Exposure to investment climate, risk and return quantification	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





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8-16	Modern Portfolio Theories	Efficient Market Hypothesis, Markowitz's mean variance portfolio theory, Capital market theory, Security market line, Asset Pricing Models	Ch. 6, 7, 8, Class Notes
17-22	Valuation of Financial Instruments	Analysis of Financial Statements, Security valuation principles	Ch 10, 11
23-27	Time Value of Money and Fixed Income instruments	Time Value of Money, Bond Valuation, concept of yield to maturity, yield-price relationship	Ch 17-18 and Class Notes
28-35	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, Technical chart patterns	Chap 12, 13, 14, 16 (TB)
36-41	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 300

EC No.	Components	Duration	Weight-age (%)	Date, Time	Nature of Component
1	Mid Term Exam	90 Minutes	35	As per timetable	Closed Book
2	Quiz (Best 2 of 3)	15 minutes	10	Unannounced (Surprise)	During the regular lecture hour.
3	Assignments/ Projects	Usually, 3-7 days each	15	TBA	Take home
4	Comprehensive Exam	180 minutes	40	As per timetable	Partially OB



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6. Chamber Consultation Hour:

I/C: Seek prior appointment through official email.

Instructor: Tuesday: 3:30 – 4:30 PM (6165 – G, Economics and Finance Dept.).

7. Notice: Check your BITS e-mail account regularly for course-related announcements.

Instructor in charge
ECON F 412 / FIN F 313



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Save Trees.
Save the World.**

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