**Name of the Subject:** **SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**
**Course Code and Subject Code:** **FS 322, SAPM**
**Course Credit:** **FULL (50 SESSIONS OF 60 MINUTES EACH)**

**Course Description**

This course is designed to teach the fundamentals of investments along with the analysis and strategies to become successful investor. It will start from the investment introduction to the performance Evaluation of securities and portfolio. To understand deeper how market works, students will be taught the stock market fundamental. It discusses the risk return tradeoff of an individual investor, it also persist how investment in securities market is evaluated based on Fundamental and Technical analysis. It also discusses application of Modern Portfolio Theory, analysis of active and passive investment strategies, and measurement of portfolio performance. This course will also emphasize students to learn forces that affect security market.

**Evaluation pattern:**

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| Class participation and Attendance | 10% |
| Quizzes, Presentations and Assignments | 20% |
| Mid Term Examination | 30% |
| End Term (University) Examination | 40% |

**Pedagogy:**

- Lectures
- Case study
- Minor projects

| **Session** | **Course Content** | **Approx. Percentile weightage** |
|---|---|---|
| 1 | Investment Alternatives and Objectives | 5% |
| 2 - 5 | Introduction to Risk – Return Tradeoff, Measures, Analysis, Determinants of Required Rates of Return and Relationship between Risk and Return, Risk-free rate and its influencing factors and Risk Premium | 10% |

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| 6 - 7 | Organization and Functioning Securities Markets, Primary and Secondary Markets, Types of Markets, Types of Orders | 5% |
| 8 - 11 | Introduction to Indian Stock Markets, Stock Market Indices, Indices Calculations | 5% |
| 12 - 13 | Economic Analysis – Macroeconomic activities and security markets, The Cyclical Indicator Approach, Monetary Variables | 5% |
| 14 - 15 | Industry Analysis – Business Cycles and industry sectors, Evaluating Industry life cycle, analysis of industry competition and industry rate of returns | 5% |
| 16 - 17 | Company Analysis, SWOT Analysis, Analysis of Financial Statement and Stock Valuation | 10% |
| 18 - 21 | Technical Analysis – Assumption, Advantages, Challenges, Types of Charts, Technical Trading Rules and Indicators | 5% |
| 22 - 25 | Introduction to Efficient Market Hypothesis, Random Walk Model, Forms of EMH, Empirical Evidences | 5% |
| 26 - 27 | Introduction to Portfolio Management – Measurement of Expected Risk and Returns of Portfolio, Alternative measures of Risk | 5% |
| 28 - 32 | Markowitz Portfolio Theory | 5% |
| 33 - 36 | Capital Assets Pricing Model, Overview and Assumptions, Capital Market Theory, Security Market Line and Capital Market Line, Zero Beta Model | 5% |
| 37 - 39 | Multifactor Models and risk Estimation – Arbitrage Pricing Theory, Sharpe’s Single Index Model, Lagrange Multiplier Theory | 5% |
| 40 - 41 | Equity Portfolio Management Overview and Strategies, Passive and Active Management, Index Portfolio Construction techniques, Value versus Growth | 5% |

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|---|---|---|
| | Investing | |
| 42 - 44 | Bond Fundaments, Valuation and Bond Yield<br>The Analysis and Valuation of Bond – Determinants of Interest Rates, Term structure Interest Rates Theories, Bond Theorems | 5% |
| 45 | Bond Portfolio Management Strategies - Overview and Strategies, Passive and Active Management | 5% |
| 46 - 47 | Introduction to Mutual Funds | 5% |
| 48 - 50 | Evaluation of Portfolio Performance – Treynor, Sharpe, Jensen and Fama Net Selectivity, Application of Portfolio Performance Measures | 5% |

**Text Book**:

1. Investment Analysis and Portfolio Management by Reilly and Brown, Cengage Learning, India Ed.

**Reference Books:**

1. Investment Analysis and Portfolio Management by Prasanna Chandra
2. Investments by Zvi Bodie, Alex Kane, Alan Marcus and Pitabas Mohanty
3. Security Analysis and Portfolio Management by Donald Fisher and Ronald Jordan