

GUJARAT TECHNOLOGICAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION (Global Program)

Year – II (Semester – III) (W.E.F. January 2014)

Specialization: Finance Management

Subject Name: Security Analysis & Portfolio Management (SAPM)

Subject Code: 2830203

1. Course Objectives:

- a. To equip the students with the theoretical and practical knowledge of capital market.
- b. To develop the skills for the portfolio constructions, revision, evaluation and investment advisory.

2. Course Duration:

The total hours for teaching this course will be 45 hours, which will be divided into 36 sessions of 75 minutes duration each.

3. Course Contents:

Module No:	Module Content	No. of Sessions	70 Marks (External Evaluation)
I	<u>Introduction to the landscape of investment.</u> Define investment. Investment alternative. The process of investment trading- margin trading etc, types of orders. Risk and return in investment. Real return-nominal return. Historical and expected return. Risk-valuation of risk. Sources of risk. Company stock market interest, inflation, credit risk. Portfolio risk. Power of diversification.	7	17
II	<u>Security analysis and valuation</u> The fundamental analysis. EIC framework economic analysis- variables tracked industry analysis- variables tracked- company analysis- variables analysed. Sources of information and trouble shots of financial statements. Behaviour finance and efficient market theory and technical analysis. Tools and uses.	7	17
III	<u>Theories of capital market</u> CAPM, Sharpe Model, Arbitrage theory and multifactor	7	18

	model, Portfolio Analysis, Listing down data inputs, selection and construction of optimal portfolios.		
IV	<u>Fixed Income Securities & Portfolio Management</u> Investment in bonds, types of bonds, Investment process in bonds. Portfolio Revision, Portfolio Management, Portfolio Evaluation – Sharpe, Jensen, Treynor & Fama Net Selectivity.	7	18
V	<u>Practical Assignments</u> <ul style="list-style-type: none"> • Indian capital markets reforms. • Index construction methods. • EIC analysis of any selected company. • Selected tools of technical analysis. • Use of Discounted Cash Flow technique for selection of stocks. • Brief about Forward, Futures & Options. • Application of CAPM theory. • Creating a portfolio using Sharpe Portfolio Selection. • Portfolio evaluation Mutual Fund Schemes. . . . etc 	8	Internal Evaluation (20 Marks of CEC)

4. Teaching Method:

The following pedagogical tools shall be used for teaching the subject:

- The suggested method is chalk and talk.
- Students can give weekly review of various markets which can be the part of internal assessment.
- A project on valuation of selected companies based on fundamental and technical analysis could be done.

5. Evaluation:

A	Projects/Assignments/Quiz/Class Participation, etc.	Weightage (50%) (Internal Assessment)
B	Mid-Semester Examination	Weightage (30%) (Internal Assessment)
C	End-Semester Examination (Min. 30% Theory and Mon. 70% Practical)	Weightage (70%) (External Assessment)

6. Basic Text Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
T1	P. Pandian	Security analysis and	Vikas Publishing	Latest Edition

		Portfolio Management	House	
T2	Prasanna Chandra	Investment Analysis And Portfolio Management	Tata McGraw Hill	Latest Edition

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.

7. Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
R1	Edwin Elton & Martin Gruber	Modern Portfolio Theory and Investment Analysis	Wiley	2012, Latest
R2	Reilly/Brown,	Investment Analysis and Behaviour	TMH	Latest Edition
R3	ZviBodie, Alex Kane, Alan Marcus and Pitabas Mohanty	Investments	Tata McGraw Hill	Latest Edition
R4	Fischer and Jordon,	Security analysis and Portfolio Management	Pearson	Latest Edition
R5	Gordon Alexander, William Sharpe and Jeffery Bailey	Fundamental of Investments	Pearson	Latest Edition

8. List of Journals/Periodicals/Magazines/Newspapers, etc.

Journal of Security Analysis and Portfolio Management.

Applied Finance by ICFAI

9. Session Plan:

Session Nos.	Topics to be covered
1-2	Define investment. Investment alternative. The process of investment trading

	Types of orders.
3-4	Margin trading & Margin Calculation
5-6	Risk and return in investment. Real return-nominal return. Historical and expected return. Risk-valuation of risk.
7	Sources of risk
8-10	EIC framework economic analysis- variables tracked industry analysis- variables tracked- company analysis- variables analysed. Sources of information and trouble shots of financial statements.
11-13	Technical analysis. Tools and uses.
14-15	Efficient market theory
16	Markowitz Model
17-18	CAPM
19-21	Sharpe Optimum Portfolio Selection. Listing down data inputs, selection and construction of optimal portfolios.
22	Arbitrage theory and Multifactor model
23	Investment in bonds
24	Types of bonds
25-26	Investment process in bonds
27	Portfolio Revision & Portfolio Management
28	Portfolio Evaluation – Sharpe, Jensen, Treynor&Fama Net Selectivity.
29-36	<u>Practical Assignments</u> <ul style="list-style-type: none"> • Indian capital markets reforms. • Index construction methods. • EIC analysis of any selected company. • Selected tools of technical analysis. • Use of Discounted Cash Flow technique for selection of stocks. • Brief about Forward, Futures & Options. • Application of CAPM theory. • Creating a portfolio using Sharpe Portfolio Selection.

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| | <ul style="list-style-type: none">• Portfolio evaluation Mutual Fund Schemes. . . . etc |
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