

# SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

<b>CREDITS</b>	
:	<b>3</b>

## OBJECTIVES :

Enables student to

- Understand the nuances of stock market operations.
- Understand the techniques involved in deciding upon purchase or sale of securities.

## **UNIT I INVESTMENT SETTING 9**

Financial and economic meaning of Investment – Characteristics and objectives of Investment – Investment process -Types of Investment – Investment alternatives – Choice and Evaluation – Risk and return concepts - Valuation of bonds and stock.

## **UNIT II FUNDAMENTAL ANALYSIS 9**

Economic Analysis – Economic forecasting and stock Investment Decisions – Forecasting techniques. Industry Analysis : Industry classification, Industry life cycle – Company Analysis Measuring Earnings – Forecasting Earnings – Applied Valuation Techniques – Graham and Dodds investor ratios.

## **UNIT III TECHNICAL ANALYSIS 9**

Fundamental Analysis Vs Technical Analysis -- Dow theory – Charting methods - Chart Patterns Trend – Trend reversals – Market Indicators -Moving Average – Exponential moving Average Oscillators -RSI -ROC - MACD.Efficient Market theory - Forms of market efficiency -weak, semi-strong, strong form -Empirical tests of market efficiency -its application.

## **UNIT IV PORTFOLIO CONSTRUCTION AND SELECTION 9**

Portfolio analysis - Reduction of portfolio risk through diversification – Portfolio risk - Portfolio Selection - Feasible set of portfolios - Efficient set - Markowitz model - Single index model - Construction of optimum portfolio - Multi-index model.

## **UNIT V PORTFOLIO EVALUATION 9**

Capital Asset Pricing model - Lending and borrowing - CML - SML - Pricing with CAPM - Arbitrage pricing theory– Portfolio Evaluation - Sharpe's index Treynor's index, Jensen's index – Mutual Funds – Portfolio Revision.

**TOTAL :45 PERIODS**

## OUTCOMES:

- Understand the concept of investment and identify the investment alternatives to investors
- Learn the nuances of fundamental analyses and technical analyses
- Analyse and evaluate the value of securities
- Explain how to construct an efficient portfolio
- Explore the various methods through which portfolio evaluation could be done

## REFERENCES :

1. Donald E.Fischer & Ronald J.Jordan, Security Analysis & Portfolio Management, PHI Learning., New Delhi, 8<sup>th</sup> edition, 2011.
2. Prasannachandra, Investment analysis and Portfolio Management, Tata McGraw Hill, 2011.
3. Reilly & Brown, Investment Analysis and Portfolio Management, Cengage Learning, 9<sup>th</sup> edition, 2011.
4. S. Kevin , Securities Analysis and Portfolio Management , PHI Learning , 2012.
5. Punithavathy Pandian, Analysis & Portfolio Management, Vikas publishing house PVT LTD, second edition, 2013.
6. Bodi, Kane, Markus, Mohanty, Investments, 8<sup>th</sup> edition, Tata McGraw Hill, 2011.
7. V.A.Avadhan, Securities Analysis and Portfolio Management, Himalaya Publishing House, 2013.
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