

Finance (Elective)

Security Analysis and Portfolio Management (Elective-I)

1. **Investments:** The investment environment, classification and functions of financial markets and financial instruments. Securities trading – types of orders, margin trading, clearing and settlement procedures. Regularity systems for equity markets.

2. **Portfolio Theory:** Concept of Risk, measuring risk and returns, Portfolio risk – measurement and analysis, mean – variance approach, business risk and financial risk and treatment in portfolio management.

3. **Equilibrium in Capital Market:** The Capital Asset Pricing Model, Single-index model, Arbitrage Pricing theory, Market Efficiency. - Bond Analysis: Bond Pricing Theorems, Convexity, duration, bond immunization, active bond management and passive bond management.

4. **Equity Valuation Model:** Discounted Cash-flow techniques: Balance sheet valuation, Dividend discount models, Intrinsic value and market price, earnings multiplier approach, P/E ratio, Price/ Book value, Price/sales ratio, Economic value added (EVA).

5. **Security Analysis:** Macroeconomic and industry analysis and company analysis.

6. **Derivatives:** Option markets, option strategies and option valuation, Futures markets, strategies and pricing. Stock index futures, interest rate futures, Swaps using caps and floors in investment management.

7. **Active Portfolio Management:** Mutual Funds Growth of mutual funds in India, Structure. Performance evaluation of mutual funds, conventional theory, performance measurement with changing portfolio composition.

8. **Case study**

References

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