

# ST. JOSEPH'S DEGREE & PG COLLEGE

(Autonomous), Affiliated to Osmania University

DEPARTMENT OF BUSINESS MANAGEMENT

SEMESTER-VI

BBA, BBA (IT), BBA (BA), BBA (FM) & BBA (ENTREPRENEURSHIP)

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

DSE

*w .e.f. 2020-2021 A.Y*

## SCHEME OF INSTRUCTION

Hours per Week	: 5 Hrs.
Credits	: 5
Instruction Mode	: Lecture
Course Code	: BM.07.301.23CT

## SCHEME OF EXAMINATION

Maximum Marks	: 100
Internal Assessment	: 40
External Examination	: 60
External Exam Duration	: 3 Hrs

### Course Objective:

The course focuses on enabling, developing skills in analyzing various types of securities and developing necessary skills in students to design and revise a portfolio of securities.

**Course Outcomes:** On successful completion of this course, the students will be able:

**CO1:** To recognize the Process of investment management and Analyze Risk and Return.

**CO2:** To analyze the Valuing equity and debt instruments.

**CO3:** To apply skills in measuring the portfolio performances.

**CO4:** To give the Concept of CAPM

**CO5:** To analyze the performance of Portfolio and Mutual Funds

### Unit I: Return and Risk

Investment management, nature and scope, investment avenues, types of financial assets and real assets, Security return and risk – Systematic and unsystematic risk - sources of risk, Measurement of risk and return, sources of investment information ( Numerical Problems in Return and Risk)

### Unit II : Bond Valuation

Bond Basics, Valuation of the Bond- the time value Concept, the present Concept, Bond Returns- AYTM, Yield to maturity, Yield to call, Bond Value theorems- Bond Duration- Macaulay's duration and modified Macaulay's duration ( Numerical Problems in AYTM,YTM, YTC, Duration & Modified Duration)

### Unit III: Stock Valuation



Common Stock Meaning-Basic Features of Common Stock, Approaches to valuation–Present Value of the Return-Stock Valuation Methods-Single Period Model, Constant Growth Model, Two Stage Model and Three Stage Model.( Numerical Problems in Valuation of Stocks)

#### **Unit IV: Portfolio Management**

Meaning of portfolio management, portfolio analysis, Portfolio objectives, portfolio management process, selection of securities. Portfolio theory, Markowitz Model, Sharpe's single index model. capital Asset pricing model( CAPM) ( Numerical Problems on Portfolio Return and Risk & CAPM Return )

#### **Unit V: Portfolio Evaluation**

Need, evaluation perspective and meaning Performance measures-Sharpe's reward to variability index, Treynor's reward to volatility index, Jensen's differential index, Fama's decomposition of returns.( Numerical problems on Sharpe's, Treynor's and Jensen's Measure & Fama's decomposition of returns.)

#### **Text Book:**

1. P Agarwal ,Security Analysis and Investment Management, 3<sup>rd</sup> Edition 2017 HPH

#### **Reference Books:**

1. Arshdeep & Jindal Kiran, Security Analysis & Portfolio Management , 1<sup>st</sup> Edition 2018 Kalyani Publishers
2. Kevin S: Security Analysis and Portfolio Management, Prentice Hall
3. Prasanna Chandra, Investment Analysis and Portfolio Management, Mcgraw-Hill
4. Punithavathy, Pandian (2005). Security Analysis and Portfolio Management. Vikas Publishing House.