Objective: This course aims at providing the students a comprehensive introduction to the areas of security analysis and portfolio management and equipping them with advanced tools and techniques for making profitable investment decisions.

MODULE I: INTRODUCTION TO INVESTMENT AND SECURITY ANALYSIS (10)


Unit 3: Risk measurement - Standard deviation – Meaning of Beta – Computation and interpretation – Use of beta in estimating returns. (Including simple problems)

MODULE II: FUNDAMENTAL ANALYSIS & TECHNICAL ANALYSIS (20)

Unit 1: Economic analysis: Factors in Domestic and International economy – Economic forecasting and stock-investment decisions – Types of economic forecasts – Forecasting techniques – Anticipatory surveys – Barometric or Indicator approach (Delhi School of Economics- ECRI methodology) – Money supply approach – Econometric model building – Opportunistic model building.

Unit 2: Industry analysis: Industry classification schemes –Classification by product and according to business cycle – Key characteristics in industry analysis – Industry life cycle – Sources of information for industry analysis.


MODULE III: SECURITIES RETURN AND VALUATION ANALYSIS
(10)


**Unit 2:** Stock Return and Valuation – Anticipated returns, Present value of returns, Constant Growth model, Two-Stage Growth model, The Three-Phase Model, Valuation through P/E ratio.

MODULE IV: PORTFOLIO MANAGEMENT, CAPITAL MARKET THEORY, AND DERIVATIVES MARKET
(20)

**Unit 1:** Efficient Market Hypothesis (EMH) – Random Walk theory – Forms of EMH – EMH and empirical findings – Implication of EMH on fundamental and technical analysis – Market inefficiencies.


**Suggested readings:**
9. Nick Battley, *Introduction to Commodity Futures and Options*, Irwin
13. Cheney, Muses, *Fundamentals of Investments*