

INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR

Post Graduate Diploma in Management (PGDM)
Security Analysis and Portfolio Management (FN604)

CREDIT: Full (three credits)

SESSION DURATION: 60 Minutes

TERM: IV

YEAR: 2017-2019

FACULTY: Dr. Ansuman Chatterjee

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Office hours: 9:30 AM – 5:30 PM

Course Introduction:

This course attempts to describe for individual investors, the emotional framework and analytical tools that are essential to financial success in stock markets. The course aims at developing an investment attitude and prepares students for careers in the areas of finance and investment. Students would find this course to be important as its applications can be seen while understanding the financial markets.

Learning Outcomes:

1. To provide students with a conceptual and analytical framework of evaluating a security.
2. To provide students with working knowledge framework of different financial instruments, their risk and returns and their usefulness while constructing portfolios.
3. To familiarize students with portfolio construction and management techniques and strategies.
4. To appreciate the ethical and social dimensions of financial markets and portfolio management.

Course Pedagogy: The course would be based on the classroom lectures and spreadsheet modeling intended to create a student centric experiential learning.

Course Readings (Essential):

1. Reilly. & Brown. (2013). *Investment analysis & portfolio management* (10th ed.). New Delhi: CENGAGE Learning
2. Chandra, Prasanna. (2008). *Investment analysis and portfolio management*. New Delhi: Tata McGraw – Hill Publications.

Course Readings (Reference):

1. Fischer., & Jordan., *Security analysis and portfolio management*. Prentice Hall Publications.
2. Bhalla, V. K., *Investment management*, S. Chand & Co Publications.
3. Kevin S.(2008). *Security Analysis & Portfolio Management*, New Delhi: PHI Learning Pvt Ltd Publications.
4. Bodie., Kane., Mohanty., *Investments* (6th ed.). Tata McGraw Hill Publications.
5. Brealey., & Myers., *Principles of corporate finance* (7th ed.). Tata McGraw Hill Publications.

Course Evaluation criteria (%):

Project	20
Research Based Assignment	10
Mid Term Exam	20
Class Participation	10
End-term Exam	40
Total	100

Session Plan:

Session No.	Topic	Chapter in text book & other references	LEARNING OUTCOME
Part I - Security Analysis			
1	Introduction to the Course		
2, 3,4	Overview of Indian Securities Markets: Equity & Debt Market	Ch 1 & 2 of PC	LO 2
	Investment Process	Ch 1 & 2 of R&B (Also refer Appendix B of Reilly & Brown)	LO 2, LO 3, LO 4
5,6,7	Bond Valuation	Ch 17 & 18 of R&B and Ch 11 & 12 of PC	LO 1
8,9,10, 11, 12	Equity Valuation	Ch 14 of R&B and Ch 13 of PC	LO 1, LO 2
	- Cash Flow Based Valuation	http://www.nseindia.com/content/corporate/eq_research_reports.htm	
	- Asset Based Valuation	http://www.bseindia.com/sensex/research.aspx	
	- Relative Valuation	<u>VIDEO:</u> http://buffettsbooks.com/howtoinvestinstocks/course2/stocks/intrinsic-value-calculator.html#sthash.t5GjdCHo.dpbs	
13,14,15 ,16	Economic Analysis	Ch 12 of R&B and Ch 14 of PC	LO 2, LO 3, LO 4
	Industry Analysis	Ch 13 of R&B	
	Company Analysis	Ch 14 of R&B and Ch 15 of PC http://pages.stern.nyu.edu/~adamodar/	
17, 18, 19	Efficient Market Hypothesis	Ch 6 of R&B and Ch 9 of PC	LO 1, LO 2, LO 4
	Technical Analysis	Ch 16 of R&B and Ch 16 of PC http://stockcharts.com/	LO 1
Part II - Portfolio Management			

20, 21,22,23 ,24,25	Introduction to Portfolio Management	Ch 7 of R&B and Ch 7 & 8 of PC	LO 2, LO 3
	Risk and Return concepts, CAPM, SML, CML		
	Markowitz Portfolio Theory	Ch 7 of R&B and Ch 7 of PC	LO 2, LO 3
	Modern Portfolio Theory	Ch 8 of R&B	
	Portfolio Risk & Return measurement		
26	Arbitrage Portfolio Theory	Ch 9 of R&B and Ch 8 of P	LO 2, LO 3
27,28	Portfolio Strategies	Ch 15 of R&B and Ch 21 of PC	LO 2, LO 3
29	Portfolio Performance Measurement- Jenson's Alpha, Treynor Measure & Sharpe Ratio	Ch 25 of R&B and Ch 21 of PC	LO 2, LO 3
30	Summary Discussion		