MARRI LAXMAN REDDY
INSTITUTE OF TECHNOLOGY AND MANAGEMENT
(AN AUTONOMOUS INSTITUTION)
(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)
Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act,1956

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT								
III SEMESTER								
Course Code	**Category**	**Hours/Week**			**Credits**	**Maximum Marks**		
		L	**T**	**P**	**C**	**CIE**	**SEE**	**Total**
20MBA20F	**Professional Elective**	4	0	-	4	40	60	100
Contact Classes:60	**Tutorial Classes:** Nil	**Practical Classes:** Nil				**Total Classes:** 60		
1. **Prerequisite:** Basic concepts of security analysis and portfolio management								

COURSE OVERVIEW:

The course introduces the investment environment in India and the Indian Financial System, along with stock market operations and investment alternatives. It explains the investment process and key analysis methods such as fundamental analysis, technical analysis, and the Efficient Market Hypothesis. Portfolio concepts are covered using Markowitz Portfolio Theory and models like Capital Asset Pricing Model and Arbitrage Pricing Theory. It includes bond and equity valuation, covering pricing, risk measures, and derivative instruments such as options, futures, and swaps. Finally, the course discusses mutual funds, their types, performance evaluation models, and trends in the Indian mutual fund industry.

COURSE OBJECTIVES:

- To understand the investment environment in India, financial markets, and various investment alternatives available to investors.
- To analyze and evaluate securities using fundamental analysis, technical analysis, and concepts like the efficient market hypothesis.
- To develop knowledge of portfolio construction and risk-return relationships using models such as Markowitz theory, CAPM, and APT.
- To assess bond and equity valuation techniques, including yield measures, pricing models, and derivative instruments.
- To examine mutual fund structures, performance evaluation methods, and recent developments in portfolio management practices.

COURSE OUTCOMES: After completion of the course, students should be able to

1. Describe India's investment environment & alternatives, security analysis fundamentals and the efficient market hypothesis.
2. Explain various principles, theories, approaches, selection and models for portfolio analysis.
3. Employ bond theories, duration and convexity in bond portfolio management.
4. Analyze equity valuation models, financial ratios for intrinsic value, review derivative markets and strategies options.

5. Evaluate the performance of different mutual fund schemes using various models, trend reviews and incorporation of amendments in portfolio management.

UNIT-I INVESTMENT AND SECURITY ANALYSIS

Investment environment in India, overview of Indian financial system securities trading in stock markets, investment alternatives, the investment management process, Security analysis: fundamental analysis, technical analysis, efficient market hypothesis.

UNIT-II PORTFOLIO ANALYSIS

The returns and risks from investing Markowitz portfolio theory, mean variance approach, portfolio selection, efficient portfolios, the single index model capital asset pricing model, arbitrage pricing theory.

UNIT-III BOND ANALYSIS AND VALUATION AND MANAGEMENT

Types of bonds, interest rates, term structure of interest rates, measuring bond yields, yield to maturity, yield to call, yield to maturity, holding period return.

Bond pricing theorems, bond duration, active and passive bond management strategies, bond immunization, bond volatility, bond convexity.

UNIT-IV EQUITY VALUATION AND DERIVATIVES

Equity analysis and valuation, balance sheet analysis equity valuation models, intrinsic value and market price, the p/e ratio and earnings multiplier approach, price/book value, price/ sales ratio, economic value added, overview of derivatives markets, option markets, option strategies and option valuation forward and future markets, strategies, stock index future, interest rate futures, swaps contracts.

UNIT-V MUTUAL FUNDS

Types of mutual funds schemes, structure, net asset value, risk and return, performance evaluation models Sharpe model, trey nor model, Jensen model, fame ‘s decomposition. Trends in Indian mutual funds. Latest Amendments in Portfolio Management

TEXT BOOKS

1. William. Sharpe, Gordon j Alexander and Jeffery V Bailey, "Fundamentals of Investments", Prentice Hall, 2nd Edition, 2012.
2. Reilly, Brown, "Analysis of Investment and Management of Portfolios", 10th Edition, Cengage, 1st Edition, 2012.
3. ZVI Bodie, Alex Kane, Alan J Marcus, "Investments", TMH, 3rd Edition, 2012.

REFERENCE BOOKS:

1. Donald E Fischer, Ronald J Jordan," Security Analysis and Portfolio Management", 6th Edition, 2012.
2. Prasanna Chandra, "Investment analysis and Portfolio Management‖ 4th Edition, TMH, 2012.
3. Punithavathy Pandian, Security Analysis &Portfolio Management, Vikas, 2014

ELECTRONIC RESOURCES:

1. http://164.100.133.129:81/econtent/Uploads/Security_Analysis_&_Portfolio_Management.pdf
2. http://www.ucipfg.com/Repositorio/MATI/MATI-08/BLOQUE-ACADEMICO/Unidad-4/lecturas/4.pdf
3. http://www.ddegjust.ac.in/studymaterial/mba/fm-304.pdf

https://www.amazon.in/Security-Analysis-Portfolio-Management-Kevin-ebook/dp/B00K7YGOZ4

MATERIALS ONLINE:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos