



# 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

## COURSE CONTENT

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT								
III Semester: MBA								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
22MBA20F	Professional Elective	L	T	P	C	CIE	SEE	Total
		4	-	-	4	40	60	100
Contact Classes: 60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes:60			
<b>Prerequisite:</b> Basic concepts of security analysis and portfolio management								

### COURSE OVERVIEW:

This course provides knowledge of investment analysis and portfolio management. It introduces the investment environment in India, security analysis techniques, and portfolio theories. The course also covers bond valuation, equity analysis, derivatives markets, and mutual fund performance evaluation. It helps students understand investment decision-making and portfolio management strategies in financial markets.

### COURSE OBJECTIVES:

- To understand the investment environment in India and the fundamentals of security analysis.
- To explain portfolio theories, risk–return concepts, and portfolio selection models.
- To analyze bond valuation, interest rate structure, duration, and bond management strategies.
- To examine equity valuation methods and the role of derivatives and option strategies in financial markets.
- To evaluate mutual fund schemes and their performance using different financial models.

### 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.

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#### **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, treynor model, Jensen model, fama'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, AlexKane, Alan J Marcus, "Investments", TMH, 3rd Edition, 2012.
4. Donald E Fischer, Ronald J Jordan, " Security Analysis and Portfolio Management", 6thEdition, 2012.

#### **REFERENCE BOOKS**

1. Prasanna Chandra, "Investment analysis and Portfolio Management" 4th Edition, TMH, 2012.
2. Punithavathy Pandian, Security Analysis &Portfolio Management, Vikas,2014

#### **ELECTRONIC RESOURCES**

1. [http://164.100.133.129:81/econtent/Uploads/Security\\_Analysis\\_&\\_Portfolio\\_Management.pdf](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>
4. <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

