



# ARSD College, University of Delhi

## Model Course Handout/Lesson Plan

<b>Course Name : B.Com (Hons)</b>						
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
VI	BCH 6.3(a)	Fundamentals of Investment	5	1		6
Teacher/Instructor		Dr. Renu Aggarwal				
Session		2022-23				

### Course Objective:

To familiarize the students with different investment alternatives, introduce them to the framework of their analysis, valuation and investor protection.

### Course Learning Outcomes:

After completing the course, the student shall be able to:

1. Explain investment environment and concept of return & risk.
2. Understand bond valuation & role of credit rating agencies.
3. Examine equity approaches.
4. Analyze two securities portfolio using Harry Markowitz model, Calculating portfolio risk and return, explaining CAPM and evaluating Mutual Funds and Financial derivatives.
5. Evaluate investors protection framework

### Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
I	The Investment Environment	1	Investment: Introduction
		2	Investment Environment
		3	Different Class of Investments
		4	The investment decision process.
		5	Direct and Indirect Investing, Factors of Sound Investment
		6	Trading of securities, and security market indices,
		7	Sources of financial information
		8	Diversification, Hedging and Investment
		9	Return and Return: Concept

		10-11	Measurement of return, Holding Period Return
		12-13	Measurement of Risk
		14	Trade off between return and risk
		15	Taxation and Investment Strategy
		16	Inflation and Investment Strategy
II	Bond Analysis	17	Bond Fundamentals
		18	Types of Bonds
		19	Bond Valuation,
		20	Interaction between Bond Value, Interest rate and time to maturity
		21	Valuation of Convertible Debentures
		22	Valuation of Deep Discount Bonds
		23	Bond Yields
		24	Risks in Bonds
		25	Malkiel's Properties regarding Bond Pricing
		26	Bond Duration
		27	Credit rating
III	Approaches to Equity Analysis	28	Approaches to Security Analysis
		29	Fundamental Analysis
		30	EIC Framework
		31	Technical Analysis
		32	Difference between Fundamental Analysis and Technical Analysis
		33	Basic Tenets (Propositions) of Technical Analysis
		34	Tools of Technical Analysis, Specific Stock Indicators
		35	Random Walk Theory, Efficient Market Hypothesis and its implication, Forms of Market Efficiency
		36-40	Valuation of Equity share -Discounted Cash Flow Models' Dividend Discount Models
		41-42	Earnings Multiplier Approach or Price-Earnings Model (P/E based model) for share valuation
		43-44	Capital Asset Pricing Model (CAPM)
IV	Portfolio Analysis and Financial Derivatives	45	Portfolio Management Process
		46	Portfolio Analysis - Markowitz Model
		47	Portfolio Risk
		48	Portfolio return
		49	Portfolio Selection
		50	Capital Asset Pricing Model
		51-52	SML and CM
		53	Uses of CAPM and its limitation
		54	Portfolio Performance Evaluation
		55	Risk Adjusted Measures or techniques for Evaluating Performance of Portfolio
		56	Financial Derivatives, Forwards, Futures, Options
		57-58	Pricing of future and option contract
		59	Evolution of Mutual Funds in India, Mutual Fund

			Schemes
		60	Latest Developments Regarding Mutual Funds
		61	Evaluating Performance of Mutual Funds
V	Investment Protection	62	Role of SEBI in investor Protection
		63	Investor's Grievances and Redressal System of SEBI and Scores (SEBI Complaints Redress System)
		64	Securities Ombudsman
		65	Other Regulators/Authorities to approach for complaints other than those dealt by SEBI
		66	Reforms brought up by SEBI
		67	Listing agreement
		68	Insider trading
		69	Investors' Awareness and Activism
		70	Role of Stock Exchanges in Investor Protection

**Evaluation Scheme:**

No.	Component	Duration	Marks
1.	• Class test		25
	• Assignments		
	• Project Evaluation		
	• Class presentations		
	• Attendance		
2.	End Semester Examination	3 Hours	75

**Details of the Course**

Unit	Contents	Contact Hours
1	The Investment Environment The investment decision process. Types of Investment-Commodities, Real Estate and Financial Assets. The Indian securities market, the market participants and trading of securities, security market indices, sources of financial information. Return and Risk: Concept, Calculation, Trade off between return and risk, Impact of taxes and inflation on return.	16
2	Bond Analysis Bond Fundamentals, Estimating bond yields, Bond Valuation & Malkiel Theorems, bond risks and credit rating.	11

3	Approaches to Equity Analysis Fundamental Analysis, Technical Analysis and Efficient Market Hypothesis, Valuation of Equity Shares using Dividend Discount model and P/E ratio model.	17
4	Portfolio Analysis and Financial Derivatives Harry Markowitz model of Portfolio Analysis and Diversification, CAPM model. Portfolio Risk and Return, Mutual Funds, overview of Financial Derivatives-Forwards, Future & Options.	17
5	Investor Protection Investor Protection Role of SEBI and stock exchanges in investor protection; Investor grievances and their redressal system, insider trading, investors' education and awareness.	9
	<b>TOTAL</b>	<b>70</b>

**Suggested Books:**

Sl. No.	Name of Authors/Books/Publishers	Year of Publication/Reprint
1	Jones, C.P., Investment Analysis and Management.	-
2	Wiley. Mayo., An Introduction to Investment. Cengage Learning.	-
3	Rustagi, R.P., Investment Management. Sultan Chand, New Delhi.	2023
4	Sharma, S.K. and Kaur, Gurmeet, Fundamentals of Investments, Sultan Chand & Sons.	2023
5	Singh, Y.P. "Fundamentals of Investment Management". Galgotia Publications	2023
6	• Tripathi, Vanita , Fundamentals of Investments. Taxmann. Publications.	2023

**Mode of Evaluation:**

Internal Assessment and End Semester Exam