

B. Com. – III

Group 'K' Financial Market Analysis

Paper No. XIX-B: Security Analysis and Portfolio Management

1. **Security Analysis:** Concept, Need, Mechanics of security, Trading in Stock Exchange, Listing of securities, Legal Control of Stock Exchanges in India.
2. **Risk:** Risk defined, Systematic Risk, Unsystematic Risk, Minimising Risk Exposure, Risk Management.
3. **Bond Return and Valuation:** Bond Basics, Bond risk, The time value concept, The present value, Bond return, Yield to maturity, Bond value theorems, convexity, The term structure of interest rate (Yield curve), Riding the yield curve, Duration, Immunisation.
4. **Stock Return and Valuation:** Return, The anticipated return, Present value of return, Multiple year holding period, Constant growth model, Two stage growth model, Valuation through P/E ratio.
5. **Fundamental Analysis:** Economic analysis, Industry analysis, Company analysis, Earnings of the company, Financial Analysis, Growth in earnings.
6. **Technical Analysis:** Technical Analysis, Assumptions, History of Technical Analysis, Technical Tools, Dow theory, Primary trend, The secondary trend, Minor trend, Support and resistance level, Indicators.
7. **Efficient Market Theory:** Basic concept, The random-walk theory, Weak form of EMH, A study: Predictability of Stock returns, Semi-strong form, The essence of the theory, Market inefficiencies.
8. **Portfolio Construction:** Approaches in portfolio construction, Determination of Objectives, Selection of Portfolio.
9. **Portfolio-Markowitz Model:** Simple diversification, Markowitz model, Risk and return with different correlation, Markowitz efficient frontier.
10. **The Sharp Index Model:** Single index model, Corner portfolio, Sharp's optimal portfolio.
11. **Capital Asset Pricing Theory and Arbitrage Pricing Theory:** The CAPM theory, Assumptions, Arbitrage Pricing theory.