

## Theory Paper

Part A Introduction		
Program: M.Com.	Class: M.Com III <sup>rd</sup>	Session: 2025-26
Subject: Security Analysis and Portfolio Management		
1. Course Code	CC32	
2. Course Title	Security Analysis and Portfolio Management	
3. Course Type	Core – II	
4. Pre-requisite (If any)	B.com (Honours)/ B.com(Honours with Research)	
5. Course Learning outcomes (CLO)	<p>On successful completion of this course, students will be able to-</p> <ol style="list-style-type: none"> <li>1. Understand the environment of investment and risk return framework.</li> <li>2. Analyze bonds in terms of valuation, yields and risks as well as build up immunized bond portfolio.</li> <li>3. Analyze equity shares using different approaches and models.</li> <li>4. Construct, analyze, select and evaluate portfolios along with a deep understanding of Capital market theory and associated models.</li> <li>5. Understand and analyze futures and options, use various options trading strategies and critically examine various innovations in derivatives market.</li> </ol>	
6. Credit Value	5	

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7. Total Marks	Max. Marks 40+60	Mini. Passing marks: 40
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**Part B- Content of the Course**

Total No. of Lectures-

75

Unit	Topic	No. of Lectures
1.	<b>Introduction:</b> The Investment environment, various investment alternatives and risk return trade off; Investment decision process; Risk aversion; Types of investors; Risk-Return analysis and impact of taxes and inflation; Types and sources of returns and risks and their measurement; Diversification and Hedging; Socially responsible investing; Ethical investing and other contemporary issues in investment management.	15
2.	<b>Analysis of Fixed Income Securities:</b> Bond fundamentals; Types of bonds; innovations in bond market; Valuation of bonds; Bond yields (Yield to Maturity, Yield to Call, and Realized Annual Yield); Bond price- yield relationship; Bond convexity; Malkiel Bond Theorems; Risks in bonds- interest rate risk, price risk, reinvestment rate risk, inflation risk, default risk; Analysis of risks in bonds- Bond Duration, Modified duration and their measurement; Bond portfolio management including immunized bond portfolio.	15
3.	<b>Equity Analysis:</b> Approaches to security valuation; Fundamental Analysis- Economy, Industry, Company Analysis (EIC framework); Equity Valuation Models (DDM, P/E Ratio model and Free Cash Flow Valuation approach); Forecasting P/E ratio. <b>Technical Analysis:</b> basic premise and Dow theory; types of charts and Chart patterns; Moving, average analysis; Market indicators and stock specific indicators; Odd lot theory; Efficient market hypothesis (EMH); Forms of market efficiency and their implications; Tests of different forms of market efficiency;	15

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	Assumption of Investor's rationality and its critique; Behavioural Finance- Prospect theory and behavioural biases such as Framing, Mental accounting, Regret avoidance.	
4.	<b>Portfolio Analysis, Selection and Management:</b> The concept and significance of portfolio; Calculation of portfolio return and risk; Risk aversion and capital allocation to risky assets and risk free asset; Optimal risky portfolio; Optimal complete portfolio; Markowitz portfolio selection model; Sharpe's single Index Model and optimal portfolio construction; Capital market theory- Capital market line (CML) and concept of market portfolio; Tobin's separation Theorem; Capital Asset Pricing Model (CAPM) and its extensions; Stock market anomalies (Size effect, Value effect, Seasonality effect, Overreaction effect); Arbitrage Pricing Theory and Multifactor Asset Pricing Models including Fama French Five factor model); Active and Passive portfolio management; Investment strategies- value investing, momentum and contrarian strategies; Portfolio performance evaluation (Sharpe index, Treynor Index, Jensen's alpha, Information ratio and Fama's decomposition measure).	15
5.	<b>Financial Derivatives:</b> Futures- features, types and payoffs; Pricing of financial futures (Cost of carry model); Options- features, types, styles, payoffs and valuation using Black and Scholes Model; Put call parity principle; Options trading strategies- bull spread, bear spread, straddle and butterfly spread; Exotic options and other innovations in derivatives market.	15
<b>Keywords/Tags:</b> Investment, risk, portfolio, equity, portfolio, option, CAPM, derivatives.		
<b>Part C- Learning Resources</b>		
<b>Text Books, Reference books, Other Resources</b>		

1. Falguni H. Pandya, Security Analysis and management publisher jaico.

2. S.Kevin, Security Analysis and management P.H.I. Learning Ltd, Patparganj, Delhi.
3. अग्रवाल, एम. आर. प्रतिभूति विश्लेषण एवं पोर्टफोलियो प्रबंध गरिमा पब्लिकेशन जयपुर  
अग्रवाल, बी.पी. प्रतिभूति विश्लेषण एवं पोर्टफोलियो प्रबंध साहित्य भवन पब्लिकेशन, आगरा  
शर्मा एफ. सी. प्रतिभूति विश्लेषण एवं पोर्टफोलियो प्रबंध साहित्य भवन पब्लिशर्स एवं  
डिस्ट्रीब्यूटर्स, आगरा
4. Chandra, P. (2017). Investment Analysis and Portfolio Management. Tata McGraw Hill.  
Elton, E. and Gruber (2010). Modern Portfolio Theory and Investment Analysis. John Wiley and Sons

#### Suggestive Digital Platform/ web links

1. <https://www.cengage.co.in/book-list/print/security-analysis-and-portfolio-management-vs>
2. [https://www.phindia.com/Books/BookDetail/9789391818265/security-analysis-and-portfolio-management-kevin?srsId=AfmBOoppBIOf43ZIxJJXJiJQfoC46zpDw3iSPj8hj\\_F-ejyjnoybhed7](https://www.phindia.com/Books/BookDetail/9789391818265/security-analysis-and-portfolio-management-kevin?srsId=AfmBOoppBIOf43ZIxJJXJiJQfoC46zpDw3iSPj8hj_F-ejyjnoybhed7)
3. [https://www.acecollege.in/CITS\\_Upload/Downloads/Books/1078\\_File.pdf](https://www.acecollege.in/CITS_Upload/Downloads/Books/1078_File.pdf)
4. [https://books.google.com/books/about/Security\\_Analysis\\_and\\_Portfolio\\_Manageme.html?id=PxGfgmseA\\_kC](https://books.google.com/books/about/Security_Analysis_and_Portfolio_Manageme.html?id=PxGfgmseA_kC)
5. [https://www.schandpublishing.com/books/higher-education/commerce-management/security-analysis-portfolio-management/9789325963085/?srsId=AfmBOop3u92SR\\_kLZiGTCfLhoMstWq8bk2\\_SXmHj1m7BQQM2UsDMb6fF](https://www.schandpublishing.com/books/higher-education/commerce-management/security-analysis-portfolio-management/9789325963085/?srsId=AfmBOop3u92SR_kLZiGTCfLhoMstWq8bk2_SXmHj1m7BQQM2UsDMb6fF)
6. <https://www.vikaspublishing.com/books/business-economics/management/security-analysis-portfolio-management/9789354534836/>

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**Part D- Assessment and Evaluation****Suggested Continuous Evaluation Methods:**

Maximum Marks: 100

Continuous Comprehensive Evaluation (CCE): 40 Marks University Exam (UE):  
60 Marks

Internal Assessment: Continuous Comprehensive Evaluation (CCE)	Class Test Assignment/presentation As Per Ordinance 14(2)	40
External Assessment: University Exam Section Time: 3 Hours	Section(A): Short Question ( $5 \times 4 = 20$ ) Section (B): Long Question ( $5 \times 8 = 40$ )	60

Any remarks/Suggestions:

