

B.COM
SEMESTER IV
Fundamentals of Investment (CC 12)
(100 Marks, 60 Lectures)

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

Unit I Investment Environment (30 Marks, 20 Lectures)

The investment decision process, Types of Investments – Commodities, Real Estate and Financial Assets (Equity, Mutual funds, Debt), the Indian securities market, the market participants (Stock exchanges, Stock brokers, Clearing House, Depositories, Depository Participants, FIIs, Domestic institutional investors, Individual investors), Online and offline trading in securities, security market indices, sources of financial information, Concept of return and risk, Impact of Taxes and Inflation on returns.

Unit II Analysis of Equity and Debt Instruments (30 Marks, 20 Lectures)

(a) Fixed Income Securities

Bond features, types of bonds, estimating bond yields, Bond Pricing, types of bond risks, default risk and credit rating, Bond market indices.

(b) Approaches to Equity Analysis

Introduction to Fundamental Analysis, Technical Analysis, dividend capitalisation models, and price-earnings multiple approach to equity valuation, Intrinsic value, Price to Book value ratio.

Unit III Portfolio Analysis and Financial Derivatives (20 Marks, 10 Lectures)

Portfolio and Diversification, Portfolio Risk and Return; Mutual Funds; Introduction to Financial Derivatives; Financial Derivatives Markets in India

Unit IV: Investor Protection (20 Marks, 10 Lectures)

Role of SEBI and stock exchanges in investor protection; Investor grievances and their redressal system, insider trading, investor awareness and activism.

References:

1. Jones, C.P. Investments Analysis and Management, Wiley, 8th ed.
2. Chandra, Prasanna. Investment Analysis and Portfolio Management. McGraw Hill Education
3. Rustogi, R.P. Fundamentals of Investment. Sultan Chand & Sons, New Delhi.
4. Vohra N.D. & Bagri B.R., Futures and Options, McGraw Hill Education
5. Mayo. An Introduction to Investment. Cengage Learning.