

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI - 600 086**  
**B.Com (A & F) DEGREE: ACCOUNTING AND FINANCE**

**SYLLABUS**  
**(Effective from the academic year 2015 -2016)**

**PORTFOLIO MANAGEMENT**

**CODE: 15CM/MC/PF65**

**CREDITS: 5**

**L T P: 5 0 0**

**TOTAL TEACHING HOURS: 65**

**OBJECTIVES OF THE COURSE**

- To enable students to make a cohesive analysis of alternative investments
- To enable acquire knowledge about creation and revision of an investment portfolio
- To equip the students with the skills for dealing with investments

**Unit 1 (10 hrs)**

**Introduction**

- 1.2 Definition and Meaning of Portfolio Management
- 1.2 Steps involved in Portfolio Management, Principles of Portfolio Management
- 1.3 Framework of Risk and Return
- 1.4 Meaning and Components of Return
- 1.5 Risk – Meaning and Causes
- 1.6 Types of Risk – Systematic and Unsystematic

**Unit 2 (20 hrs)**

**Theories of Portfolio Management**

- 2.1 Measurement of Return – Single Security and Portfolio
- 2.2 Measurement of Risk – Single Security and Portfolio
- 2.3 Harry Markowitz Theory
- 2.4 Single Index Model
- 2.5 CAPM (Capital Assets Pricing Model)

**Unit 3 (15 hrs)**

**Valuation of Securities**

- 3.1 Equity Valuation
  - 3.1.1 Based on Accounting Information
  - 3.1.2. Based on Dividends
  - 3.1.3 Based on Earnings
- 3.2 Bond Valuation
  - 3.2.1 Bond pricing, Yield to Maturity, Yield to Call

**Unit 4 (10 hrs)**

**Security Analysis**

- 4.1 Fundamental Analysis – Intrinsic value of shares – EIC (Economy-Industry-Company) framework
- 4.2 Technical Analysis (only theory) –Basic tenets of Technical Analysis
  - 4.2.1 Price and Volume Charts, Dow Theory, Pattern Analysis

**Unit 5 (10 hrs)**

**Techniques of Portfolio Management**

- 5.1 Efficient Market Hypothesis

- 5.2 Asset Allocation Framework – Strategic and Tactical
- 5.3 Passive and Active Management Strategies
- 5.4 Portfolio Evaluation – Treynor Measure, Sharpe Measure, Jensen Measure

### **TEXT BOOKS**

Bhalla V.K, Investment Management, New Delhi, S. Chand & Co Ltd, 2005

Chandra, Prasanna, Investment Analysis and Portfolio Management, New Delhi, Tata McGraw – Hill, 2007

Rustagi R.P , Investment Analysis and Portfolio Management, New Delhi, Sultan Chand, 2007

### **BOOKS FOR REFERENCE**

Bhalla, V.K. Tuteja, S.K., Investment Management , Sultan Chand, New Delhi, 2005

Fisher, Donald, E. & Jordan, Ronald, J., Security Analysis of Portfolio Management, Prentice Hall, New Delhi, 2006

Grinold, Richard, Khan, Ronald, N., Active Portfolio Management – Quantitative Theory and Applications, , S. Chand, New Delhi, 2006

Ibbotson, Roger, G., Investment Markets, Tata McGraw Hill, New Delhi, 2006

Shah, Kishor & Others, How to Invest Well – A Guide to the Share Market and Personal Investments, Tata McGraw Hill, New Delhi, 2006

Singhi, Preethi, Investment Management – Security Analysis and Portfolio Management, Himalaya, Mumbai, 2005

### **JOURNAL**

Sprinjer- Journal of Financial Market and Portfolio Management  
Stretwise –The Journal of Portfolio Management  
The Journal of Portfolio Management

### **WEB RESOURCES**

[www.bloomberg.in](http://www.bloomberg.in)  
[www.innotas.com](http://www.innotas.com)

## **PATTERN OF EVALUATION**

### **Continuous Assessment:**

Total Marks: 50

Duration: 90 Mins

Section A – Answer all Questions

7 x 2 = 14 Marks

Section B – Answer any Two Questions from a choice of Three 2 x 8 = 16 Marks

Section C – Answer any One Question from a choice of Two 1 x 20 = 20 Marks

### **Third Component Tests:**

Open book tests

Assignments- Problem solving

### **End Semester Examination:**

Total Marks: 100

Duration: 3 Hours

Section A – short answers (max. 50 words) - 10 x 2 = 20 Marks

5 Questions theory and 5 Problems

Section B – Problems 5 x 8 = 40 Marks (From a choice of 7)

Section C – Problems 2 x 20 = 40 Marks (From a choice of 4)