



**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**Syllabus for Master of Business Administration, 3<sup>rd</sup> Semester**  
**Functional Area Specialization: Finance Management**  
**Subject Name: Security Analysis and Portfolio Management (SAPM)**  
**Subject Code: 4539221**

**With effective  
from academic  
year 2018-19**

**1. Learning Outcomes:**

| <b>Learning Outcome Component</b>   | <b>Learning Outcome</b>   |
|---|---|
| Business Environment and Domain Knowledge (BEDK)                                      | <ul style="list-style-type: none"> <li>Describe the characteristics of different financial assets. Classify financial assets on multiple bases.</li> </ul>  |
| Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI) | <ul style="list-style-type: none"> <li>Illustrate the correct use of tools for financial analysis for investment purposes.</li> <li>Evaluate securities using different valuation models.</li> </ul>  |
| Global Exposure and Cross-Cultural Understanding (GECCU)                              | <ul style="list-style-type: none"> <li>Identify the working of global financial markets and instruments.</li> </ul>   |
| Social Responsiveness and Ethics (SRE)  | <ul style="list-style-type: none"> <li>Defend the need for ethical practices in the field of portfolio management.</li> </ul>   |
| Effective Communication (EC)  | <ul style="list-style-type: none"> <li>Ability to comprehend the importance of communicating features and benefits of financial products.</li> <li>Ability to understand client requirements, and communicate tailor-made financial solutions.</li> </ul> |
| Leadership and Teamwork (LT)  | <ul style="list-style-type: none"> <li>Demonstrate the ability to work independently or as part of team, for managing investment portfolios.</li> </ul>   |

**2. Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

**3. Course Contents:**

| <b>Module No:</b> | <b>Contents</b>   | <b>No. of Sessions</b> | <b>70 Marks (External Evaluation)</b> |
|-------------------|---|------------------------|---------------------------------------|
| <b>I</b>          | <b>Introduction to Investment:</b> <ul style="list-style-type: none"> <li>Introduction</li> <li>Investment vs. Speculation, Investment vs. Gambling</li> <li>Investment Objectives, Investment Attributes</li> <li>Investment Process</li> <li>Security Analysis vs. Portfolio Management</li> <li>Portfolio Management Process</li> <li>Meaning and Types of Returns               <ul style="list-style-type: none"> <li>Holding Period return (<b>Theory and numerical</b>).</li> <li>Expected return–Annualized return – measurement of return.</li> </ul> </li> <li>Risk – Types of Risk – Measurement of Risk (<b>Theory and numerical</b>).</li> </ul> | 10                     | 18                                    |
| <b>II</b>         | <b>Security analysis:</b> <ul style="list-style-type: none"> <li>Fundamental Analysis:               <ul style="list-style-type: none"> <li>Economic, Industry and Company Analysis, Forecasting earnings, Efficient Market Hypothesis, Different Forms of EMH and their Empirical Tests</li> </ul> </li> <li>Technical Analysis:               <ul style="list-style-type: none"> <li>Charting Tools, Market Indicators, Dow Theory, Elliot Wave Theory, Random Walk Theory</li> </ul> </li> <li>Introduction to Behavioral Finance</li> </ul>   | 10                     | 18                                    |
| <b>III</b>        | <b>Selection / Construction of Securities by applying</b>   | 10                     | 17                                    |



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|    |  |     |                   |
|----|--|-----|-------------------|
|    | <p><b>theories:</b></p> <ul style="list-style-type: none"> <li>• Markowitz Model - Efficient Frontier</li> <li>• Constructing an Optimal portfolio using Sharpe's Single Index Model (<b>Theory and numerical</b>).</li> <li>• Capital Market Theory: CML, SML, Capital Asset Pricing Model, Arbitrage Pricing Theory (<b>Theory and numerical</b>).</li> </ul>  |     |                   |
| IV | <p><b>Portfolio Management &amp; Measurement:</b></p> <ul style="list-style-type: none"> <li>• Portfolio execution</li> <li>• Portfolio Revision and Performance Evaluation (<b>Theory and numerical</b>).</li> </ul> <p><b>Bonds &amp; Valuation:</b></p> <ul style="list-style-type: none"> <li>• Bond prices &amp; Yields (<b>Theory and numerical</b>).</li> <li>• Types of bonds.</li> <li>• Duration of Bonds (<b>Theory and numerical</b>).</li> <li>• Bond Management Strategies, Analysis of Bonds (Rating).</li> </ul> | 10  | 17                |
| V  | <p><b>Practical:</b></p> <ul style="list-style-type: none"> <li>• EIC analysis of any selected Industry/ Company.</li> <li>• Application of Valuation on Equity and bonds for its selection</li> <li>• Application of CAPM theory.</li> <li>• Creating a portfolio using Sharpe Portfolio Selection.</li> <li>• Portfolio evaluation Mutual Fund Schemes. . . etc.</li> <li>• <b>Movie based learning: Wall street &amp; Rogue Trader, Inside Job, Big Short, Wolf of Wall Street etc.</b></li> </ul>                            | --- | (30 marks<br>CEC) |

#### 4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

#### 5. Evaluation:

Students shall be evaluated on the following components:

|   | Internal Evaluation  | (Internal Assessment- 50 Marks) |
|---|--|---------------------------------|
| A | <ul style="list-style-type: none"> <li>• Continuous Evaluation Component</li> </ul>    | 30 marks                        |
|   | <ul style="list-style-type: none"> <li>• Class Presence &amp; Participation</li> </ul> | 10 marks                        |
|   | <ul style="list-style-type: none"> <li>• Quiz</li> </ul>                               | 10 marks                        |
| B | Mid-Semester examination   | (Internal Assessment-30 Marks)  |
| C | End -Semester Examination  | (External Assessment-70 Marks)  |



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**6. Reference Books:**

| No. | Author   | Name of the Book                             | Publisher        | Year of Publication / Edition |
|-----|--|--|------------------|-------------------------------|
| 1   | Prasanna Chandra                                       | Investment Analysis & Portfolio Management   | McGraw Hill      | 2017 / 5 <sup>th</sup>        |
| 2   | Donald E. Fisher, Ronald J. Jordan, Ashwini K. Pradhan | Security Analysis & Portfolio Management     | Pearson          | 2018 / 7 <sup>th</sup>        |
| 3   | Robert A. Haugen                                       | Modern Investment Theory                     | Pearson          | 2017 / 5 <sup>th</sup>        |
| 4   | P. Pandian   | Security Analysis & Portfolio Management     | Vikas Publishing | 2013 / 2 <sup>nd</sup>        |
| 5   | S. Kevin   | Security Analysis & Portfolio Management     | PHI learning     | 2015 / 2 <sup>nd</sup>        |
| 6   | Frank K. Reilly, Keith C. Brown                        | Investment Analysis and Portfolio Management | Cengage          | 2011 / 10 <sup>th</sup>       |
| 7   | Bruno Solnik, Dennis McLeavey                          | Global Investments                           | Pearson          | 2014 / 6 <sup>th</sup>        |

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

**7. List of Journals/Periodicals/Magazines/Newspapers / Web resources, etc.**

1. The Journal of Portfolio Management
2. International Journal of Portfolio Analysis and Management
3. Economic Times
4. Financial Express
5. Capital Market
6. Business Today