Programme	BBA	Course Code	BBA-423	Credit Hours	3
Course Title	Investment Analysis and Portfolio Management				

Course Introduction

The purpose of this course is to teach students how investmentsa are made.

Learning Outcomes

On completion of this course, the students will be able to:

1. Understand why return and risk are two critical components of investment decision making.
2. Know the scope of investment decisions and operating environment.
3. Adopt investments as a profession.

Contents

Unit-1 An Overall Perspective on Investment

- 1.1 Meaning of investment
- 1.2 Characteristics of investment
- 1.3 investment vs speculation
- 1.4 Types of investors
- 1.5 Establishing a Framework for Investing
- 1.6 Importance of Studying of investing
- 1.7 A prospective for investing in financial assets
- 1.8 Understanding the investment decision, return and risk trade-off, rationale decision making on investment

Unit-2 Direct Investment

- 2.1 Non-marketable financial assets
- 2.2 Money market securities
- 2.3 Capital market securities
- 2.4 Fixed income securities
- 2.5 Equity securities

Unit-3 Indirect Investing

- 3.1 What is investment companies
- 3.2 Individual vs institutional investors
- 3.3 Closed ended investment companies
- 3.4 Exchange traded funds
- 3.5 Types of mutual funds

Unit-4 Risk

- 4.1 Meaning of risk,
- 4.2 Elements of Risk
- 4.3 Measurement of Risk

Unit-5 Fundamental analysis

- 5.1 Fundamental analysis
- 5.2 Economy-Industry-Company analysis framework
- 5.3 Economic analysis
- 5.4 Economic Forecasting
- 5.5 Country Risk Analysis
- 5.6 Market indicators

Unit-6 Efficient Market theory

- **6**.1 Efficient Market theory
- 6.2 The efficient market hypothesis
- 6.3 Forms of efficient market

Unit-7 Portfolio and Capital Market Theory

7.1 Components of returns, calculation of total return, return relative, cumulative wealth index, statistics for return Plus Exercise numerical

7.2 Modern Portfolio theory (MPT), significance contribution of MPT, Calculation of risk using probability distribution, calculating expected return for a security

7.3 Calculating risk for a security, portfolio expected return, portfolio risk, Risk reduction, diversification, Calculation of correlation coefficient

7.4 Calculation of covariance, importance of covariance, calculation of variance-covariance matrix, two security case, more than two security case

Unit-8 Portfolio Analysis

8.1 Portfolio Analysis

8.2 Expected return of a portfolio

8.3 Reduction of portfolio risk through diversification

8.4 Feasible set of Portfolios, Selection of optimal portfolio, Limitation of MPT

Unit-9 Capital Asset Pricing Model (CAMP)

9.1 Understanding about Capital Asset Pricing Model (CAMP)

9.2 Assumptions of CAMP

9.3 Constructions of efficient frontiers with riskless landing and borrowing

9.4 Capital Market line

9.5 Security Market line

Unit-10 Portfolio Revision

10.1 Portfolio Revision

10.2 Need for revision

10.3 Meanings of revision

10.4 Constrains in portfolio revision

Unit-11 Portfolio Evaluation

11.1 Portfolio Evaluation

11.2 Need for Evaluation

11.3 Differential Returns

Teaching & Learning Strategies

A combination of lecturing, presentations, and discussions will be used to conduct the course. Students will be expected to read extensively ahead of each class session and actively participate in discussions and practical work.

Assignments

Written assignment (10 marks), presentation (5 marks) and Quiz (10 marks)

Textbooks and Reading Material

Bernstein, W. J. (2010). *The four pillars of investing: Lessons for building a winning portfolio*. McGraw Hill.

Jones, C. P. (2016). *Investments: Principles and concepts* (12th ed.). John Wiley.

Kevin, S. (2006). P*ortfolio management*. PHI Learning Pvt. Ltd.

Kevin, S. (2015). *Security analysis and portfolio management*. PHI Learning Pvt. Ltd.