

**B.Com. (Hons.): Semester-VI  
DSE**

**BCM613: FUNDAMENTALS OF INVESTMENT**

Teaching Scheme	Examination Scheme
Lectures: 4hrs/Week	Class Test – 12 Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6 Marks
	Attendance – 12 Marks
Credits: 5	End Semester Exam – 70 Marks

**Course Objective**

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

**Course Learning Outcomes**

After completing the course, the student shall be able to:

- CO1: explain investment environment and concept of return & risk.
- CO2: understand bond valuation & role of credit rating agencies.
- CO3: examine equity approaches.
- CO4: analyze two securities portfolio using Harry Markowitz model, calculating portfolio risk and return, explaining CAPM and evaluating Mutual Funds and Financial derivatives.
- CO5: evaluate investors protection framework
- CO6: learn about financial derivatives

**Unit I: The Investment Environment**

The investment decision process. Types of Investment-Commodities, Real Estate and Financial Assets. The Indian securities market, the market participants and trading of securities, security market indices, sources of financial information. Return and Risk: Concept, Calculation, Tradeoff between return and risk, Impact of taxes and inflation on return

**Unit II: Bond Analysis**

Bond Fundamentals, Estimating bond yields, Bond Valuation & Malkiel Theorems, bond risks and credit rating.

**Unit III: Approaches to Equity Analysis**

Fundamental Analysis, Technical Analysis and Efficient Market Hypothesis, Valuation of Equity Shares using Dividend Discount model and P/E ratio model.

**Unit IV: Portfolio Analysis and Financial Derivatives**

Harry Markowitz model of Portfolio Analysis and Diversification, CAPM model. Portfolio Risk and Return, Mutual Funds, overview of Financial Derivatives-Forwards, Future & Options.

**Unit V: Investor Protection**

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

**Suggested Readings**

- Jones, C.P., Investment Analysis and Management. Wiley.
- Mayo, An Introduction to Investment. Cengage Learning.
- Rustagi, R.P., Investment Management. Sultan Chand, New Delhi.
- Sharma, S.K. and Kaur, Gurmeet, Fundamentals of Investments, Sultan Chand & Sons.
- Singh, Y.P. "Fundamentals of Investment Management". Galgotia Publications
- Tripathi, Vanita (2019), Fundamentals of Investments. Taxmann. Publications.

**Additional Readings**

- Vohra, N.D., and Bagri, Future and Options. McGraw Hill Publishing.

Head  
Department of Commerce  
Faculty of Management  
Invertis University, Bareilly

Registrar  
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Dean Academics  
Faculty of Management  
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