

B.Com.: Semester-III GE-2 BCR332: INVESTING IN STOCK MARKETS	
Teaching Scheme	Examination Scheme
Lectures: 3 hrs/Week	Class Test – 12 Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6 Marks
Credits: 4	Attendance – 12 Marks
	End Semester Exam – 70 Marks

Course Objective

To equip students with the basic skills required to operate in stock market.

Course Learning Outcomes

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

- CO1: understand the basics of Investing, the Investment Environment as well as Risk & Return.
- CO2: learn Indian securities market including the Derivatives Market.
- CO3: understand the general structure of various financial markets.
- CO4: learn EIC framework and conduct Fundamental Analysis.
- CO5: understand Technical Analysis.
- CO6: understand the Mutual funds market and learn to Invest in Mutual Funds.

<p>Unit I: Basics of Investing</p> <p>Basics of investment & investment environment. Risk and return instruments of investment - equity shares, preference shares, bonds and debentures; Trading in securities: types of orders, using brokerage and analyst recommendations.</p>
<p>Unit II: Indian Securities Market</p> <p>An overview of Indian Securities Market: Primary Market (IPO, FPO, Private placement, Offer for sale), Secondary Market (cash market and derivative market: Futures and Options) Market Participants: Stock Broker, Investor, Depositories, Clearing House, Stock Exchanges. Role of stock exchange, Stock exchanges in India: BSE, NSE, MSEI. Security Market Indices: Nifty & Sensex, Sources of financial information.</p>
<p>Unit III: Fundamental Analysis</p> <p>Top down and bottom up approaches, Analysis of international & domestic economic scenario, Industry analysis, Company analysis: (Quality of management, financial analysis: Both Annual and Quarterly, Income statement analysis, position statement analysis including key financial ratios, Cash flow statement analysis, Industry market ratios: PE, PEG, Price over sales, Price over book value, EVA), Understanding Shareholding pattern of the company.</p>
<p>Unit IV: Technical Analysis</p> <p>Trading rules (credit balance theory, confidence index, filter rules, market breath, advances vs declines and charting (use of historic prices, simple moving average and MACD) basic and advanced interactive charts. Do's & Don'ts of investing in markets.</p>

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Unit V: Investing in Mutual Funds

Concept and background on Mutual Funds: Advantages, Disadvantages of investing in Mutual Funds, Types of Mutual funds: Open-ended, close-ended, equity, debt, hybrid, money market, and entry load vs. exit load funds. Factors affecting choice of mutual funds; CRISIL mutual fund ranking and its usage, calculation and use of Net Asset Value.

Suggested Readings

- Kumar, V and Nangia, R.S. Investing in Stock Markets, Ane books.
- Singh J.K. & Singh Amit Kumar, Investing in stock Markets, A K Publications, Delhi.
- Tripathi. Vanita & Panwar N, Investing in Stock Markets, Taxmann's Publication.

Additional Readings

- Chandra, Prasanna. Investment Analysis and Portfolio Management, Tata McGraw Hill.
- Damodaran, Aswath. Investment Validation Tools and Technique for Determining Mutual Funds, John Wiley & Sons.
- Gurman and Jochnk, Fundamentals of Investing, Pearworth.
- Madura, Jeff, Personal Finance, Pearson.

Note: Latest edition of readings may be used.

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