

**B.Com.: Semester-VI**  
**DSE-4**
**BCR611: FUNDAMENTALS OF INVESTMENT**

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

**Course Learning Outcomes**

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

- CO1: acquaint with the Investment Environment and concept of Return & Risk.
- CO2: develop the understanding of Bond valuation & role of Credit Rating agencies.
- CO3: understand the methods of Equity analysis approaches.
- CO4: analyze two securities portfolio using Harry Markowitz model and CAPM, Mutual Funds and Financial derivatives.
- CO5: examine investors' protection framework.
- CO6: understand investment decision process.

**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, Trade off between return and risk, Impact of taxes and inflation on return.

**Unit II: Fixed Income Securities**

Bond Fundamentals, Estimating bond yields, Bond Valuation, Types of bond risks. Default risk and credit rating.

**Unit III: Approaches to Equity Analysis**

Fundamental Analysis, Technical Analysis, Valuation of Equity Shares.


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

Portfolio management. CAPM, Portfolio Risk and Return, Mutual Funds, overview of Financial Derivatives- Forwards, Futures & 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.

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### Suggested Readings

- Introdu Mayo, An Introduction to Investment. Cengage Learning.
- Rustagi, R.P., Investment management. Sultan Chand, New Delhi.
- Singh, Y.P., Fundamentals of Investment management. Galgotia Publications.
- Tripathi, Vanita, Fundamentals of Investments. Taxmann.

### Additional Readings

- Jones, C.P., Investment Analysis and Management. Wiley.
- Videos of Eugene Fama on the history of Finance.
- Vohra, N.D., and Bagri, Future and Options. McGraw Hill

Note: The latest edition of text books may be used.

Spreadsheet is the recommended software for doing basic calculations in finance and hence can be used for giving students subject related assignments for their internal assessment purposes.

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