

13. INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT:

Unit 1. Investment:

Concepts and goals - Types of investment - Financial - Real business-Personal - Institutional - Comparison of investments, speculation, gambling, - Hedging - Concepts of portfolio and portfolio management - Goals - Risk and return trade off - Financial investment avenues - Fixed income - Varying income securities.

Unit 2. Investments Analysis:

Aspects of analysis - Return analysis - Concepts, measures and computation of return of individual security and portfolio - risk analysis - Concepts, types, measure, computation of risk of individual security and portfolio - Valuation analysis - share valuation - Bond value - Price earnings analysis.

Unit 3. Approaches to Investment Analysis:

Fundamental analysis - Concept and components - Tools of economy, industry and company analysis - Technical analysis - Concept and tools -Assumption - Theories - Dow theory - Contrary opinion - The confidence index, breadth of market and strength analysis - Moving average analysis - Chart patterns.

Unit 4. Portfolio Construction and Choice:

Mark outs diversification - Efficient frontier - Risk - return indifferent curves - Portfolio choice - Single and two factorial models - Lagrange multiplier method.

Unit 5. Capital Asset Pricing Model:

Assumptions and application - Capital market line and security market line - Efficient market hypotheses - The weakly efficient, semi strongly efficient and strongly efficient market forms - Random - Walk theory.

Portfolio Performance:

Measures - Sharpe, Treynor and Jensen Portfolio audit and portfolio revision - Need and methods - Formula plans.

REFERENCES:

1. Francis J.C, Investment
2. Francis J.C, Management of Investments