



# HIMACHAL PRADESH NATIONAL LAW UNIVERSITY, SHIMLA

## Semester-VI

**B.B.A. LL.B. (Hons.)**  
**Investment Management**

**Course Code: BBL-605A**  
**Credit: 04**

### **Brief Introduction to the Subject:**

Security analysis is a pre-requisite for making investments. An investment is an important and useful factor in the context of present-day conditions as investment has become complicated. Investment may be defined as an activity that commits funds in any financial/physical form in the present with an expectation of receiving additional return in the future. Investment analysis is the study of financial securities for the purpose of successful investing. Investment management is the maintenance of an investment portfolio, or a collection of financial assets. It can include purchasing and selling assets, creating short- or long-term investment strategies, overseeing a portfolio's asset allocation and developing a tax strategy.

### **Course Objectives:**

1. To provide students with a framework for making financial decisions related to Investments;
2. To focus on the application of financial theory to the issues and problems of investment management;
3. To apply certain techniques to evaluate and analyze risk and return characteristics of securities such as individual stocks, mutual funds, and government and corporate bonds;
4. To acquaint students with some fundamental concepts such as risk diversification, portfolio selection, capital asset pricing model etc.

### **Learning Outcomes:**

1. The student will be able to identify the Investment Alternatives and various factors related to investment decisions.
2. The student will be able to understand the basics of Securities Markets.
3. The student will be able to understand the nature, risk and return associated with various corporate securities.
4. The student will be able to acquire a basic knowledge of the theories and practices of modern portfolio choice and investment decision.

## **Module-1**

### **Concept of Investment**

- 1.1 Introduction: Meaning, Nature, Scope and Elements of Investments;
- 1.2 Types of Investment: Stock, Bonds and Mutual Funds;
- 1.3 Investment Alternatives: Real Estates, PPF, Life Insurance Schemes, Features of a Good Investment, Investment and Speculation, Difference between Investor and Speculator;
- 1.4 Collecting the Basic Data: Sources of Investment Information, Institutional Structure and Functions of Investment;
- 1.5 Investment Decisions: Meaning, Categories of Investment Decisions, Need for Investment Decisions and Factors Affecting Investment Decisions.

## **Module-2**

### **Securities Market**

- 2.1 Concept of Securities Market: Financial Market, Segments of Financial Market, Types of Financial Market, Participants in the Financial Market;
- 2.2 Types of Market: Primary Market/New Issue Market, Role of Primary Market;
- 2.3 Methods of Floating New Issue: Public Issue, Right Issue and Private Placement;
- 2.4 Stock Exchange: Meaning, Concept, Functions and Stock Market in India;
- 2.5 Listing of Securities: Permitted Securities, The Securities Contracts Regulation Act and SEBI Guidelines.

## **Module-3**

### **Corporate Securities**

- 3.1 Introduction: Meaning, Concept, Valuation Models, Classes of Securities and Factors Influencing Security Valuation;
- 3.2 Equity Shares: Meaning, Types, Changing attitude towards Equity ownership;
- 3.3 Preference Shares: Meaning, Concept, Types, Preference Shares, Features of Preference Shares, Difference between Equity Shares and Preference Shares;
- 3.4 Bonds: Meaning, Features, Categories of Bonds, Varieties of Bonds and Reasons for Issuing Bonds;
- 3.5 Debentures: Meaning, Concept, Characteristics, Types and Shares Vs. Debentures.

## **Module-4**

### **Security and Portfolio Analysis**

- 4.1 Introduction to Security Analysis: Concept, Equity Value and Enterprise Value;
- 4.2 Introduction to Portfolio Analysis: Meaning, Objectives, Portfolio Management Process and Portfolio Management Strategies;

- 4.3 Applied Portfolio Management: Security Analysis and Mutual Fund Performance, Bond Portfolios Management and Strategy;
- 4.4 Fundamental Analysis: An Analysis of the Economy, Industrial Analysis, Company Analysis;
- 4.5 Technical Analysis: Meaning, Assumptions, Difference between Technical and Fundamental Analysis.

**Prescribed Books:**

- 1. Herbert B. Mayo, Investments: An Introduction, Cengage Learning; 13<sup>th</sup> edition, 2016.
- 2. Frank K Reilly, Keith C Brown, Investment Analysis and Portfolio Management, Cengage; 11<sup>th</sup> edition, 2018.
- 3. Kevin, S, Security Analysis Portfolio Management, PHI, 3<sup>rd</sup> edition, 2015.

**Reference Books:**

- 1. Fischer, Donald, E. and Ronald, J. Jordan, Security Analysis & Portfolio Management, Pearson Education , 7th edition, 2018.
- 2. Robert A. Strong, Portfolio Construction and Management, South Western Cengage Learning, 5th edition, 2008.
- 3. Machi Raju, H.R, Working of Stock Exchanges in India, Newage Publishers, 3<sup>rd</sup> edition, 2009.
- 4. Dr. Preeti Singh, Investment Management, Himalaya Publishing House Pvt. Ltd, 3<sup>rd</sup> edition, 2010.
- 5. Sulochana, M, Investment Management, Kalyani Publishers, 10<sup>th</sup> Edition, 2015.

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