

**NIRMA UNIVERSITY**  
**Institute of Commerce**  
**Bachelor of Commerce (Hons.)**  
**[B.Com. (Hons.)]**  
**Semester –VI**

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<b>Course Code</b>	<b>DSE-B-4</b>
<b>Course Title</b>	<b>Fundamentals of Investments</b>

**Course Learning Outcomes (CLO):**

At the end of the course, students will be able to:

- Illustrate the benefits of diversification.
- Identify the investment alternatives with their associated risk and return aspects.
- Analyse different investment opportunities, and decide their intrinsic value.

**Syllabus**

**Teaching Hours**

<p><b>Unit I: The Investment Environment</b></p> <ul style="list-style-type: none"> <li>• The investment decision process, Types of Investments – Commodities, Real Estate and Financial Assets</li> <li>• The Indian securities market, the market participants and trading of securities, security market indices, sources of financial information</li> <li>• Concept of return and risk</li> <li>• Impact of Taxes and Inflation on return</li> </ul>	6
<p><b>Unit II: Economy, Industry and Company Analysis</b></p> <ul style="list-style-type: none"> <li>• Economy Analysis</li> <li>• Industry Analysis</li> <li>• Company Analysis: Strategy Analysis; Accounting and Financial Analyses</li> </ul>	9
<p><b>Unit III: Equity Valuation</b></p> <ul style="list-style-type: none"> <li>• Fundamental Analysis: Estimating Discount rates, Free Cashflow Approach, Price Multiple Approach</li> <li>• Introduction to Technical Analysis: Charts &amp; Indicators</li> </ul>	12
<p><b>Unit IV: Valuation of Fixed Income Securities</b></p> <ul style="list-style-type: none"> <li>• Bond features, types of bonds, estimating bond yields</li> <li>• Bond Valuation: types of bond risks, default risk</li> <li>• Credit rating</li> </ul>	10
<p><b>Unit V: Investment in Mutual fund, Real Estate and Investment Decisions</b></p> <ul style="list-style-type: none"> <li>• Mutual fund as an investment option</li> <li>• Investment in Real Estates</li> <li>• Guidelines for investment Decisions</li> </ul>	10

<b>Unit VI: Portfolio Analysis</b> <ul style="list-style-type: none"> <li>• Diversification and Portfolio Theory</li> <li>• Portfolio Risk and Return</li> <li>• Excel applications in building a diversified portfolio</li> <li>• Introduction to Financial Derivatives</li> </ul>	13
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### **Suggested Readings:**

Chandra, P., *Investment Analysis and Portfolio Management*, New Delhi: Tata McGraw-Hill Publishing

Parmeswaram, S., *Fundamentals of Financial Instruments: An Introduction to Stocks, Bonds, Foreign Exchange and Derivatives*, Wiley.

Punithavathy, P., *Security Analysis and Portfolio Management*, S Chand Publications.

Machiraju, H. R., *Working of Stock Exchanges in India*, New Age International Publishers Ltd.

Tripathi V., *Fundamentals of Investments*, Taxmann Publications, New Delhi.

Bodie, Kane and Marcus, *Essentials of Investments*, McGraw Hill, USA.

Avadhani, V.A., *Investment and Securities Markets*, New Delhi: Himalaya Publishing House

w.e.f. Academic Year 2018-19 and onwards