

# NIRMA UNIVERSITY

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| <b>Institute:</b>            | Institute of Commerce                        |
| <b>Name of Programme:</b>    | B.Com. (Hons.)                               |
| <b>Course Code:</b>          | 3CC406IE24                                   |
| <b>Course Title:</b>         | Mutual Funds and Investment Planning         |
| <b>Course Type:</b>          | Institute Elective - Interdisciplinary Minor |
| <b>Year of introduction:</b> | 2025-26                                      |

| L | T | Practical component |    |   |   | C |
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## Course Learning Outcomes (CLO):

After successful completion of this course, students will be able to:

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| 1 | Explain mutual funds as an investment vehicle and its key terminologies.  | BL2 |
| 2 | Illustrate the benefits of mutual fund investments in terms of diversification, risk management, and wealth creation. | BL2 |
| 3 | Discuss the regulatory framework governing mutual funds and investor protection.                                      | BL3 |
| 4 | Evaluate the performance of mutual funds and select most suitable investment schemes.                                 | BL5 |
| 5 | Select appropriate insurance policies based on individual financial needs and risk profiles.                          | BL5 |

## Content:

## Teaching hours

### Unit I: Investment Environment and Planning

- The investment decision process, Investment, Gambling, and Speculation
- Types of Investments – Gold, Real Estate, and Financial Assets
- Risks in investments – Systematic and Unsystematic risk
- Calculation of single asset risks and returns.
- Impact of Taxes and Inflation on returns

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### Unit II: Mutual Funds as Investment Vehicle

- Mutual Fund Products and Features
- Types of Mutual Funds
- Merits and Demerits of Mutual Funds
- Terms associated with Mutual Funds – SIP, NAV, Entry and Exit Loads, Redemption Value, Repurchase Price

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### Unit III: Legal and Regulatory Environment of Mutual Funds

- Role of SEBI in regulating mutual funds
- AMFI – functions, features, guidelines & norms for intermediaries
- Investors rights and obligations
- Service standards mandated for mutual funds

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| <b>Unit IV: Performance Evaluation of Mutual Funds:</b>   | 9  |
| <ul style="list-style-type: none"> <li>• Fund performance: Measuring return, risk, risk-adjusted return,</li> <li>• Comparing fund performance with a reference: Sharpe Model, Treynor Model and Jensen's Model</li> <li>• Selecting the right mutual fund</li> </ul> |    |
| <b>Unit V: Evaluating Equity and Bond Investments</b>   | 10 |
| <ul style="list-style-type: none"> <li>• Overview of fundamental and technical analysis.</li> <li>• Equity valuation using constant dividend and growth models.</li> <li>• Bond Prices, Yields and Returns</li> </ul>   |    |
| <b>Unit VI: Portfolio Theory and Investment Planning</b>  | 7  |
| <ul style="list-style-type: none"> <li>• Efficient Market Hypothesis</li> <li>• Capital Asset Pricing Model</li> <li>• Calculation of portfolio risks and returns</li> <li>• Determination of optimal portfolio</li> </ul>  |    |

### **Suggested Readings:**

1. Avadhani, V. A. (2012). Investment and Securities Markets in India: Investment Management. India: Himalaya Publishing House.
2. Bodie, Z., Kane, A., Marcus, A., Mohanty, P. (2018). Essentials of Investments. United Kingdom: McGraw-Hill Companies, Incorporated.
3. Bogle, J. C. (2010). *Common sense on mutual funds: Fully updated 10th anniversary edition*. Wiley. New Jersey, USA.
4. Chandra, P. (2019). Investment Analysis and Portfolio Management. India: Tata McGraw-Hill.
5. Kapoor J., Dlabay, L., Hughes, R.J. and Hart, M. (2020), Personal Finance, McGraw Hill.
6. Swedroe, L. E., & Grogan, K. (2017). *The complete guide to investing in mutual funds: How to earn high rates of return—safely*. Harriman House. Hampshire, UK.

w.e.f. Academic Year 2025-26 and onwards