Veer Narmad South Gujarat University

Stock Exchange and Portfolio Management II (FIN)

T.Y. B.B.A., Semester VI Effective from December 2013

Objective: To orient students with basic knowledge of capital market and Investment Management.

1. PORTFOLIO MANAGEMENT 50%

- Definition : risk, return, portfolio, portfolio management
- Risk- calculation of risk, Alpha(unsystematic risk) , Beta(systematic risk)
- concept of diversification, portfolio management process,
- Portfolio Evaluation – Markowitz model(theory & Example), Sharp model(theory & Example), CAPM Model(theory & Example)

2. FUTURE AND OPTION MARKETS 50%

- Introduction
- In the money, At the Money, Out the money, intrinsic value (Example for understanding concept)
- Future contract: meaning, contract specification for index future , stock future, pay off, settlement procedure.
- Option contract : Meaning, European & American option contract, open interest in relation to price & volume (concept), contact specification for index option, stock option, pay off, settlement procedure, factors determining option price.
- Future & option trading strategies : Arbitrage, Hedging, Speculation

Reference Books

1. S. Kevin, Security Analysis and Portfolio Management, PHI EEE
2. V. A. Avadhani, Investment Management – V.A. AVADHANI
3. V. K. Bhalla, Security Analysis And Portfolio Management, S. Chand
4. Vohra & Bagri, Futures and Options, Tata McGraw hill Latest Editio