



# PROFESSIONAL INVESTING TECHNIQUES

## CURRICULUM

### SESSION PLAN (Introduction to Investment)

SESSION	TOPIC/SUB-TOPIC	READING REFERENCE	PEDAGOGY	LEARNING OUTCOMES
1-2	<b>The Investment Environment-Asset classes and financial instruments:</b> <ul style="list-style-type: none"> <li>Efficient market hypothesis (EMH): concepts, evidence, and implications</li> </ul>	Handout	Video, Class Discussion	Participants will be able to familiarise themselves with the investment process and the various capital markets and its related instruments.
3-4	<b>Risk and Return</b>	Handouts	Class Discussion, Numerical Exercise	Participants will be able to: <ul style="list-style-type: none"> <li>Understand and measure Return and Risk</li> <li>Compute Portfolio Variance and Standard Deviation</li> <li>Differentiate between Variance, Covariance and Coefficient of Correlation</li> </ul>
5-6	<b>Fundamental Analysis:</b> Economic Industry Company Analysis (EIC) Technical Analysis	Handouts	Class Discussion, Numerical Exercise	Participants will be able to describe the EIC Approach to understand the risk factors and behaviour of stock prices.
7-8	<b>Equity Valuation Models Stock valuation</b> <ul style="list-style-type: none"> <li>Industry analysis</li> <li>Company analysis including projections of financials</li> <li>Valuation based on ratios (P/E, Cash P/E, Price/Book Value, EV/EBITDA)</li> <li>Dividend discount models for valuation</li> <li>Valuation based on simulation</li> </ul>	Handouts	Discussion, Numerical Exercise	Participants will be able to describe the valuation models that stock market analysts use to uncover mispriced securities.
9-10	<b>Risk Aversion &amp; Utility Values, Risk Tolerance and Capital Allocation; Passive Strategies:</b> The Capital Market Line	Handout	Class Discussion, Numerical Exercise	Participants will be able to define the concept of Risk Averseness and maximisation of utility as Investment objective.
11-13	<b>Diversification and Portfolio Risk; The Markowitz Portfolio Selection Model. Modern portfolio theory:</b> <ul style="list-style-type: none"> <li>Markowitz Model, Single-Index Model, CAPM, APT</li> <li>Construction of optimal portfolios</li> <li>Estimation of stock beta</li> </ul>	Handouts	Class Discussion, Numerical Exercise	Participants will be able to derive efficient frontier using Markowitz approach.
14	<b>Building Optimal Risky portfolio</b>	Handouts	Class Discussion, Numerical Exercise	Participants will be able to construct a risky portfolio by maximising the reward to volatility ratio.
15	<b>Spreadsheet Model for Efficient Diversification</b>	Excel working Handouts	Use of Excel	Participants will be able to create optimal portfolio using Excel.

# ASSESSMENT PLAN

ASSESSMENT ITEM	DESCRIPTION	WEIGHTAGE
Project Assignments & Viva-Voce	<ul style="list-style-type: none"><li>Participant Groups would be required to build an optimum equity portfolio using Excel</li><li>Group Assessment: Written</li><li>Submission</li></ul>	20%
Quiz	<ul style="list-style-type: none"><li>Two quizzes with multiple choice questions. Question bank of a minimum of 20 questions to be created for a quiz of 10 questions. The format of the quiz would be 20% basic, 50% intermediate and 30% advanced level.</li></ul>	20%
Class Participation & Discussion forums	<ul style="list-style-type: none"><li>All participants are to participate in the discussions in class and the discussions initiated at the discussion forum</li><li>Individual Assessment:<ul style="list-style-type: none"><li>2 sessions as per instructor choice</li><li>Pre/In/Beyond class: In-class</li></ul></li></ul>	10%
End Term Examination	<ul style="list-style-type: none"><li>Conceptual and application-based questions. The paper would comprise questions which are: 20% basic, 50% intermediate and 30% advanced level.</li></ul>	50%

## PRESCRIBED & RECOMMENDED READINGS

### Basic Textbook:

1. Bodie, Z., Kane, A., Marcus, A.J., & Mohanty, P. (2019). *Investments*. McGraw-Hill.

### Additional Textbooks:

2. Elton, E. J., Gruber, M. J., Brown, S. J., & Goetzmann, W. N. (2017). *Modern Portfolio Theory and Investment Analysis*. John Wiley & Sons.

3. Alexander, G.J., Sharpe, W.F., & Bailey, J.V. (1989). *Fundamentals of Investments*. Prentice-Hall.

### Web Resources:

[www.morningstar.com/stocks/xnas/aapl/quote](http://www.morningstar.com/stocks/xnas/aapl/quote)

[www.bloomberg.com/markets](http://www.bloomberg.com/markets)

[www.investing.com](http://www.investing.com)

[www.moneychimp.com](http://www.moneychimp.com)

[www.valueresearchonline.com](http://www.valueresearchonline.com)

[www.moneycontrol.co](http://www.moneycontrol.co)

[www.bseindia.com](http://www.bseindia.com)

[www.nseindia.com](http://www.nseindia.com)

[www.topstockresearch.com](http://www.topstockresearch.com)

[www.equitymaster.com](http://www.equitymaster.com)

[www.moneyworks4me.com](http://www.moneyworks4me.com)

[www.in.finance.yahoo.com](http://www.in.finance.yahoo.com)