

**Course Name: B.A.(HONS.) BUSINESS ECONOMICS**

**Paper Name: INVESTMENT AND RISK MANAGEMENT**

	<b>SEMESTER DURATION : July to November</b>		
	<b>Week</b>	<b>Topic(s)</b>	<b>Teaching Methodology Adopted/ Continuous Internal Evaluation</b>
	1	Part A: Investment Management UNIT I: PORTFOLIO THEORY AND MANAGEMENT Meaning of Investment, Type of Financial Assets, Risk and Return Concepts, Mean Variance Framework	Explaining and Lecturing, Questioning and Testing
	2	Markowitz Model and Modern Portfolio Theory. Portfolio Diversification Concepts	Demonstrating, Explaining of lecturing, Collaborating
	3	Beta of a stock, Systematic and Unsystematic Risk , SML, CML	Learning by teaching, Demonstrating, Collaborating
	4	Market model/ Single Index Model , CAPM and its empirical testing.	Questioning and Testing, Explaining and Lecturing, Problem Solving
	5	UNIT II: VALUATION MODELS AND MARKET EFFICIENCY ` Dividend Discount Models: Discounted Cash Flow Approach, One, two and Multi Stage Growth Models	Learning by teaching, Demonstrating, Collaborating
	6	Price Earnings Approach to stock valuation, The Random Walk Model	Learning beyond classrooms, Collaborating
	7	Market Efficiency: Forms of market efficiency (weak, semi strong & Strong) ,	Stimulated classroom environment, Q & A Session
	8	Overview of Fundamental and Technical Analysis UNIT III: FUND MANAGEMENT Introduction, Calculation of NAV of a Fund	Questioning and Testing, Explaining and Lecturing, Problem Solving
	9	Classification of Mutual Fund Schemes (Open end & closed end, income & growth schemes, sectorial schemes, index Schemes, Fund of Funds Schemes), Tactical Asset	Learning by teaching, Demonstrating, Collaborating

		Allocation and Portfolio Rebalancing	
	10	Measuring Performance of mutual fund schemes (Sharpe, Treynor, and Jensen, Information and M2 Ratios), Tracking Error, Downsize Risk, Sortino Ratio	Learning beyond classrooms, Collaborating
	11	Diversification vs. asset allocation, benchmarking mutual fund performance. Part B: Risk Management in Financial Markets UNIT IV: RISK MANAGEMENT THROUGH BONDS Bond Basics, Concept of a yield, Valuation of Bonds	Stimulated classroom environment, Problem Solving
	12	<b>MID SEMESTER BREAK</b>	
	13	<b>HOUSE EXAMS</b>	
	14	Different ways of Computing Yield (Current yield, holding yield and Yield to maturity (YTM)), yield curve, Basic Theorems of Bond Valuation and Term Structure. Risk in Bonds, Interest rate and default risk, Risk Structure of Interest Rates	Problem Solving, Questioning and Testing Learning by teaching, Demonstrating, Collaborating, Problem Solving
	15	Bond Duration, Modified Duration, Bond Convexity, Immunization and Rebalancing of Bond Portfolios	Learning beyond classrooms, Collaborating, Q & A Session
	16	UNIT V: RISK MANAGEMENT THROUGH DERIVATIVES: Meaning and Types, Stock Futures, Commodity Futures, Hedging/Risk Management through futures and payoffs	Questioning and Testing, Explaining and Lecturing, Problem Solving
	17	Options, In the money, At the Money and Out of Money Options, Option Payoffs, Forwards and its difference with futures	Learning by teaching, Demonstrating, Collaborating, Remedial classes for slow learners

	18	Simple Futures and Options Combination Strategies (Neutralizing the risk, Spread, Straddle, Collars, Covered call, and Put Call Parity),	Questioning and Testing, Explaining and Lecturing, Q & A Session
	19	Factors affecting option premium, option pricing models (Binomial & Black Scholes Model)	Demonstrating, Explaining of lecturing, Problem Solving