

Course objectives:

To provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions.

Learning outcomes:

- To learn about introduction of financial reporting, concept, advantage and disadvantages also objectives
- To understand the scope and modes of restricting competitive advantage
- To evaluate the consolidated financial statements of holding and subsidiary companies
- To gain knowledge on valuation of shares
- To gain knowledge on corporate financial accounting, new trends in accounting and accounting standards.

Syllabus:**Unit I: Financial Reporting:**

Concept, objectives, uses, purpose of financial reporting & specific purpose of report- difficulties in corporate reporting – issues and problems with special reference to published financial statements.

Unit II: Corporate Restructuring:

Scope and modes of restructuring competitive advantage – various types corporate restructuring strategy.

Unit III: Consolidated Financial Statements of holding & subsidiary Companies:

Purposes of consolidated financial statements, Consolidation procedures – minority interests, Goodwill, Treatment of pre-acquisition and post-acquisition profit- balance sheet.

Unit IV: Valuation of Shares:

Need for valuation of shares, factors effecting value of shares - methods of valuation of shares: valuation of goodwill: need and methods – normal profit method, super profit method, and capitalization method.

Unit V: Corporate Financial Accounting:

Objectives scope role of corporate accountant, analysis & interpretation of financial statements, accounting standards. New trend in accounting: human resources accounting, environmental accounting, social responsibility accounting (Theory only).

Practical components

- Students should learn the concept of objectives of financial reporting with reference to published financial statements
- Analyse the scope and modes of various types of corporate restructuring strategy with real environment.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make collect information regarding different top companies who have subsidiary companies.
- Students should analyse the overview of valuation of shares.

Reference Books

1. R.S.N. Pillai, Bagarathi & Suma, Fundamentals of Advanced Accounting, Vol1, S Chand, New Delhi.
2. Nehru J. Financial Reporting by diversified companies vision Books, New Delhi.
3. Hawkins David Financial Statements corporations Dow Jones-Irwin Homewood 1973.
4. S.P Jain & K.L Narang, Corporate accounting, Kalyani publishers.
5. S.P Jain & K.L Narang, Advanced corporate accounting, Kalyani publishers

SEMESTER – V

Course 6:

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Course objective:

To enlighten the students with the Concepts and Practical applications of Measure risk and return of different security instruments and portfolio.

Learning outcomes:

After completion of the course, the student is able to

- Understand the various forms of investment, security Markets and other concepts.
- Understand risks associated with investment.
- Measure risk and return of different security instruments and portfolio.
- Analyse the fundamental strength of stocks and predict the price trends of securities using technical analysis and valuation of stocks and fixed income securities.
- Evaluate the performance of portfolio.

Syllabus:**Unit I: Concept of Investment:**

Objectives – Investment Vs Speculation – Security Investment Vs Non-security Forms of Investment – Investment Process – Sources of Investment Information – Security Markets – Primary and Secondary – Market Indices.

Unit II: Return and Risk:

Meaning and Measurement of Security Returns – Types of Security Risks – Systematic Vs Non-systematic Risk – Measurement of Total Risk.

Unit III: Fundamental Analysis of Stocks:

Economy, Industry and Company Analysis, Intrinsic Value – Approach to Valuation of Bonds, Preference Shares and Equity Shares.

Unit IV: Technical Analysis:

Concept and Tools of Technical Analysis – Technical Analysis Vs Fundamental Analysis – Efficient Market Hypothesis – Concept and Forms of Market Efficiency.

Unit V: Elements of Portfolio Management:

Portfolio Models – Markowitz Model, Efficient Frontier, Sharpe Single Index Model and Capital Asset Pricing Model – Performance Evaluation of Portfolios – Sharpe Model, Treynor model – Jensen's Model for PF Evaluation – Portfolio Revision.

Practical components

- Students should learn the concept of investment also differences between investment and speculation, sources of investment information.
- Analyse the measurement of security returns and types of security risks.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should collect information regarding concept and forms of market efficiency
- Students should analyse the elements of portfolio management.

Reference Books:

1. Fisher and Jordan, Security Analysis & Portfolio Management 6e, (2011) Pearson, PHI.
2. S. Kevin, Security Analysis & Portfolio Management, 2e (2015) Prentice Hall India.
3. Avadhani VA, Securities Analysis & Portfolio Management, 9e (2017) Himalaya Publishing House.
4. Prasanna Chandra, Investment Analysis and Portfolio Management 3e, (2011) Tata McGraw-Hill Education
5. P. Pandian, Security Analysis and Portfolio Management, 1e (2014), Vikas Publishing House Pvt. Limited.