

COURSE TITLE	INVESTMENT - RISK & RETURNS
COURSE CODE	04BC0353
COURSE CREDITS	3

Course Outcomes: After completion of this course, student will be able to:

- 1 Apply the basic principles of investment and the characteristics of different asset classes to align with financial goals.
- 2 Analyze risk-return relationships using techniques such as standard deviation, beta, and diversification in real-life investment scenarios.
- 3 Evaluate mutual funds and other investment avenues using tools like Sharpe Ratio, CAGR, and CAPM to assess performance.
- 4 Apply strategies to design personalized investment portfolios based on varying investor risk profiles and life-stage goals.

Pre-requisite of course:NA

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
3	0	0	50	30	20	50	0

Contents : Unit	Topics	Contact Hours
1	Basics of Investment & Financial Goals Meaning of Investment – Objectives & Types, Difference Between Investment, Speculation, and Gambling, Asset Classes – Equity, Debt, Real Estate, Gold, Mutual Funds, Factors Affecting Investment Decisions, Time Value of Money – PV, FV, Annuities, Setting SMART Financial Goals (Short/Long-term), Case Study: SIP vs. Fixed Deposit for a 5-year financial goal	10
2	Risk Analysis & Management Types of Risks – Market, Credit, Liquidity, Operational, Inflation, Systematic vs. Unsystematic Risk, Measurement of Risk – Standard Deviation, Beta, Value at Risk (VaR), Risk Profiling of Investors – Conservative, Balanced, Aggressive, Diversification & Portfolio Risk, Case Study: Risk profiling of a new investor planning for retirement	12
3	Return Analysis & Performance Measurement Types of Returns – Absolute, CAGR, IRR, Relationship Between Risk and Return, Benchmark Indices – Nifty, Sensex, Sectoral Indices, Sharpe Ratio, Treynor Ratio & Alpha, Capital Asset Pricing Model (CAPM) – Basic Concept, Real Rate of Return & Inflation-Adjusted Return, Risk-Adjusted Return – Tools & Application, Case Study: Comparing mutual fund schemes using Sharpe Ratio	13

Contents : Unit	Topics	Contact Hours
4	Investment Avenues & Strategies Mutual Funds – Types, NAV, SIP, Lumpsum, Stock Market – Primary & Secondary Market Basics, Debt Instruments – Bonds, Debentures, T-Bills, G-Secs, Derivatives – Futures & Options (Intro level), Real Estate & Gold as Investment Avenues, Government Schemes – PPF, NPS, Sukanya Samriddhi, SCSS, Case Study: Constructing a diversified portfolio for a BFSI professional	10
Total Hours		45

Textbook :

- 1 Investments, Zvi Bodie, Alex Kane, Alan J. Marcus, McGraw Hill, 2022
- 2 Investment Analysis and Portfolio Management, Prasanna Chandra, McGraw Hill Education, 2023

References:

- 1 Security Analysis and Portfolio Management, Security Analysis and Portfolio Management, S. Kevin, Pearson, 2022

Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery					
Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking / Creative
0.00	0.00	35.00	35.00	30.00	0.00

Instructional Method:

- 1 PPT