

Course Title: Portfolio Management

Course Code: 503

1. **Introduction:** Definition of investment, risk and return, investment avenues, investment attributes and structure of capital market.
2. Definition of portfolio management, functions of portfolio management, types of managed portfolio, portfolio management practices in India.
3. **Concept of risk in finance theory**, sources of risk, diversification of risk, measurement of risk and return in individual stocks and portfolios, Markowitz diversification and classification of risk, Sharpe's single index model.
4. **Importance of macro-economic environment in security evaluation**, opportunities and threats in macro-economic environment, trade cycles and economic forecasting techniques.
5. **Efficient Market Theories;** Cootner's price-value interaction model, Samuelson's continuous equilibrium model, Different forms of efficient market hypothesis and their implications.
6. **Capital Asset Pricing Model;** basic assumptions of the CAPM, issues behind the CAPM frame work, Capital market line, security market line.