



# Victoria University of Bangladesh

## Course Outline

### BBA Program

**Course Title:** Fundamentals of Investment

**Course Code:** FIN- 402

**Name of the Faculty:** Md. Edrich Molla Jewel

**E-mail** : jewelmolla77@gmail.com

**Basic Text:**

Investment- Analysis and Management – By Jones, C.P.

**Reference Books:**

1. Investment Analysis and Portfolio Management – By Reilly, F.K. and Brown, K.C.
2. Investments-Security and Risk Analysis-By Dr. M. Abu Misir
3. Modern Investment Theory – By Haugen, R.A.

**Course objective:** It is well known that security analysis and portfolio management is a pivotal part of economic decision making process. At the end of this course, the participants will have learned the basis of portfolio theory, construction of portfolio from the relationship of portfolio characteristics to the security characteristics to the method of computing sets of portfolios that investors will find desirable.

**Assignments:** The grade awarded for this course shall be determined on the following basis:

Item of assignment	Weighting
<ul style="list-style-type: none"> <li>• Worksheet (including 4 class attendance &amp; class test)</li> </ul>	25%
<ul style="list-style-type: none"> <li>• Assignments and Presentation</li> </ul>	10%
<ul style="list-style-type: none"> <li>• Mid-term Exam</li> </ul>	25%
<ul style="list-style-type: none"> <li>• Final Exam</li> </ul>	40%
<b>Total</b>	<b>100%</b>

**Course Outline (tentative):**

Lecture	Details Topics
1	<b>Introduction:</b> Meaning, Concept and Objectives of Investment, Investment Vs. Speculation and Manipulation.
2	Investment process and Portfolio selection.
3	<b>Securities Markets:</b> Meaning and Concept of Securities Markets, Markets Segmentation, Instruments.
4	Trading Systems, Orders and their Operations, Margin and Short Sales.
5	<b>Share Market Indicator Series:</b> Market and market index, Market return, General price index and selective price index.
6	Price-weighted index and value-weighted index, Market capitalization. Analysis of the market trends.
7	<b>Statistical Concepts:</b> Concepts Regarding Investments and Portfolios: Simple and Joint Probability Distribution.
8	Population Expected Value and Variance, Sample mean and Variance, Coefficient of variation, Beta coefficient.
9	<b>Risk &amp; Return of Investment:</b> Methods of Measuring Risk and Return.
10	Characteristic Line, Case of Positive and Negative Correlation, Borrowing and Lending at Risk-free Rate.
11	<b>Economy Analysis:</b> Characteristics of economy, Economic growth, Forecasting of economy, Factors of economy and the investment decisions.

**Prepared by: MD. EDRICH MOLLA (JEWEL),**

Coordinator & Lecturer, Department of Business Administration, & Deputy Proctor of Victoria University of Bangladesh

12	<b>Industry Analysis:</b> Concept of industry, Industry life cycle, Industry- specific factors affecting investment decisions.
<b>Mid-Term Examination</b>	
13	<b>Company Analysis:</b> Company fundamentals, Firm-specific factors, EPS.
14	P/E ratio, D/P ratio, retention ratio and the growth of the firm, Ratio analysis, Do Pont Analysis.
15	<b>Valuation of Fixed Income Securities:</b> Returns from fixed income securities, Term structure of interest rate.
16	Concept of Valuation, Valuation of Fixed income securities, Valuation Techniques, Valuation Models.
17	<b>Valuation of Stock:</b> Concepts of shares, Components of returns from stock, Factors determining the price of stock.
18	Stock Price movements, Valuation Techniques, Models of Share Valuation.
19	<b>Efficient Capital Market and Hypotheses:</b> Concept of Efficient Markets, Forms of Efficient Market, Random Walk Theory.
20	Efficient Market Hypotheses (EMH), Evidence and Tests of Efficient Market Hypotheses.
21	<b>Single Index Model:</b> Concept and Assumptions of Single Index Model (SIM).
22	Security and Portfolio Return and Risk Under SIM.
23	<b>Asset Pricing Model:</b> Market Model and Market Model Residual, Capital Asset Pricing Model (CAPM).
24	Capital Maker line, Security Market Line, Arbitrage Pricing Theory.
<b>Final Examination</b>	