

Bachelor of Commerce (B.Com.)
Semester – II

OEC - 2

Course Title: Investing in Stock Markets	Course code: 21BCOM2O2
Total Contact Hours: 42	Course Credits: 3
Internal Assessment Marks: 40	Duration of SEE: 3 hours
Semester End Examination Marks: 60	

Pedagogy: Classroom Lectures, Tutorials, Group Discussion, Seminar, Case Studies, Field Work etc.

Course Outcomes: On successful completion of the course, the Students will be able to

- Explain the basics of investing in the stock market, the investment environment as well as risk and return
- Identify investment avenues
- Analyse Indian securities market
- Invest in New Issue Market
- Trade in Stock Market
- Invest in mutual funds
- Explain the role of regulator of the market in protecting the interest of investors

Unit	Description	Hours
1	Basics of Investing: Investment – Meaning, types of investment – Real Investment and Financial investment, Objectives of investment, Risk and Return, Avenues of Investment - Equity shares, Preference shares, Bonds & Debentures, Insurance Schemes, Mutual Funds, Index Funds. Indian Security Markets - Primary Market, Secondary Market and Derivative Market.	10
2	New Issue Market: Initial and Follow on Public Offering (IPO and FPO), Prospectus, Players in New Issue Market, Book Building, Applying for Shares, Application Supported by Blocked Amount (ASBA), Process of allotment of shares, Listing of Shares, Demat and Trading Account – process of account opening, documents required, etc	08
3	Indian Stock Market: Functions of stock exchange, Stock exchanges in India- BSE and NSE. Security Market Indices: Nifty, Sensex and Sectoral indices, Sources of financial information. Depository Participants, Depositories, Clearing House, Trading Mechanism, types of orders, an overview of fundamental and technical analysis.	08
4	Mutual Funds: Concept and background on Mutual Funds: Advantages, Disadvantages of investing in Mutual Funds, Types of Mutual funds- Open ended, close ended, equity, debt, hybrid, index funds and money market funds. Factors affecting choice of mutual funds. CRISIL mutual fund ranking and its usage, Net Asset Value (NAV), Investment in Mutual Funds – Lumpsum and Systematic Investment Plan (SIP), Advantages of SIP.	08
5	Regulatory Framework: Securities and Exchange Board of India, Functions of SEBI, Measures taken by SEBI for Investor Protection, Investor Awareness programmes, SEBI Complaints Redress System (SCORES), SEBI Investor Protection and Education Fund.	08

Skill Developments Activities:

- Identify the risks involved in investment
- Identify and analyse the factors influencing return
- List out the investment avenues
- Visit the brokerage firms and prepare report on opening demat account and its operation
- Collect forms for applying for stocks in IPO
- Encourage students to analyse Sensex and Nifty
- Visit mutual fund branches to understand the process of investment
- Collect and fill the forms for making investment in Mutual Funds
- Visit websites of SEBI, NSE and BSE to find investor awareness programmes and Dos and don'ts while making investments

References**Text Books**

1. Prasanna Chandra, Investment Analysis and Portfolio Management, Tata McGraw Hill
2. Kevin S, Security Analysis and Portfolio Management, PHI Learning.
3. Gordon and Natarajan, Financial Markets and Services

Reference Books

1. Bodie ZVI, Kane Alex, Marcus J Alan and Mohanty Pitabas. Investment. Tata McGraw-Hill Publishing Company Limited, New Delhi.
2. Pandian Punithavathy. Security Analysis and Portfolio Management. Vikas Publishing House Private Limited, New Delhi.
3. Vanita Tripathi. Fundamentals of Investments, Taxmann, New Delhi

Note: Latest edition of text books may be used.