

MANGALORE UNIVERSITY
Department of Commerce
M.Com.

CMS506: Optional (FMAIS): CAPITAL MARKET OPERATIONS

Work load: 3 hours lecture and 2 hours tutorial per week: total 4 credits

Learning Objectives:

- This course is designed to acquaint the students with various concepts of Investment Management and to facilitate them to understand various issues of capital market in India.

Course Out Comes:

1. Provides an insight in to various invest concepts, types, features and functions of capital market.

Unit-1: Introduction: Evolution and Development of Financial System in India, Structure of Financial Markets, Financial Institutions. Introduction to Investment- Attributes of Investment-Investment Process, and Avenues of Investments. - **Mutual Funds**, Concepts, Constitution of Mutual Funds, Functions of Asset Management Companies-Regulation of Mutual Funds and Recent Development in the Financial System.

Unit-2: New Issues Market and Stock Exchanges: **Methods of floating New Issues- Stock Exchanges**-Growth and Functions- BSE- OTCEI- NSE- ISE- Stock Market Operations – Insider Trading- Legal Control of Stock Exchange in India-SEBI- **Market Indices**- Methods of computing Market Indices. Recent Developments in the Primary and Secondary Markets.

Unit-3: Behaviour of Capital Markets: Fundamental Analysis-Economy, Industry and Company Analysis- Technical Analysis-Dow Theory and its basic tenets- Charts and Signals- Technical Indicators-ROC-Moving Averages-Oscillators-Stochastics-Relative Strength Index. Valuation of Securities- Equity Shares- Bonds Valuation-Immunization-Duration.

Unit-4: Efficient Market Theory: The Concept of Efficient Market – Forms of Efficient Markets

– Weak, Semi-strong and Strong Forms – Tests of weak, Semi- Strong and Strong forms- Market Anomalies – Implication of Random walk for Technical and Fundamental Analysis, Market Rationality.

Unit-5: Bonds: Type and Bonds, **Valuation and Bonds**, Return on Bonds, Risks associated with Bonds, Duration and Convexity of Bonds.

References:

1. Francis Jack Clark, Investments-Analysis and Management, (McGrawHill)
2. Elton Edwin J and Gruber Martin J, Modern Portfolio Theory and Investment Analysis, (John Wiley andSons)
3. Sharpe William F, Alexander Gordon J, Bailey Jeffrey V, Investments, (PrenticeHall)
4. Stevenson R.A. and Jennings E H, Fundamentals of Investments, (West PublishingCompany)
5. Luenberger David G, Investment Science, (Oxford UniversityPress)
6. Bolten Steven E, Security Analysis and Portfolio Management, (Holt, Rinehart andWinston)
7. Christy George A and Clendenin John C, Introduction to Investments, (McGrawHill)
8. Jones Charles P, Tuttle Donald L and Heaton Cherril, EssentialsofModernInvestments, (Ronald

Press Company, NY)

9. Sprecher Ronald C, Essentials of Investments, (Houghton Mifflin)



10. Renwick Fred Blackwell, Introduction to Investments and Finance, (The MacMillan Company, NY)
11. Rebell L Arthur and Gordon Gail, Financial Futures and Investment Strategy, (Dow Jones IrwinIllinois)
12. Sheimo Michael D, Using Dow Theory, (VisionBooks)
13. Levy Haim and Sarnat Marshall, Investment and Portfolio Analysis, (Wiley Series inFinance)
14. Francis Jack Clark and Archer Stephen, Portfolio Analysis, (McGraw Hill series inFinance)
15. Van Horne James C, Financial Management and Policy, (PrenticeHall)
16. Hampton John, Financial Decision Making, (PrenticeHall)
17. Fischer Donald E and Jordan Ronald J, Security Analysis and Portfolio Management, (Prentice Hall)
18. Bodie Zvi, Kane Alex, Mrcus J Alan, Investments,. (McGrawHill/Irwin)
19. Martin J Pring, Technical Analysis Explained, (McGrawHill)
20. Machiraju, Indian Financial System, (Vikas PublishingHouse)
21. Machiraju, The Working of Stock Exchanges in India,(Wiley)
22. Prasanna Chandra, "Investment-Analysis andManagement"
23. Pandiar, Parthasarathy, "Security Analysis and Portfolio Management", Vikas Publishing House.

