

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT  
BACHELOR IN BUSINESS ADMINISTRATION (BBA), SYLLABUS 2072 (2016)

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<b>Course Title</b>		<b>Fundamentals of Investment</b>
<b>Course Code Number</b>		<b>MGT 345</b>
<b>Year/Semester</b>		<b>II/IV</b>
<b>Credit Hours</b>		<b>03</b>
<b>Course Objectives:</b>		
<b>Main Objective</b>		The focus of this course is on understanding the fundamentals of investing. The course content will cover the language, the concepts and the vehicles that are used in investing. This course is designed to analyze the environment in which an individual will make investment decisions under uncertainty. It will also cover framing up of strategies that will enable an investor to develop, implement and monitor his investment plan and achieve the financial goal.
<b>Enabling Objectives</b>		After the completion of this course, the students will be able to: <ul style="list-style-type: none"> <li>➤ Understand the investment alternatives available to individual and professional investors</li> <li>➤ Evaluate various investment securities and the impact of market factors that influence them</li> <li>➤ Devise alternative investment strategies suited for investors with various risk preferences</li> <li>➤ Differentiate between different types of investments</li> <li>➤ Compare and contrast the major investment vehicles available today, including stocks, bonds, money markets, and mutual funds</li> </ul>
<b>Learning Unit (LU)</b>	<b>Learning Hours (LH)</b>	<b>Contents</b>
<b>LU 1</b>	<b>LH 3</b>	<b>Introduction</b> Concept of investment, Forms of investment, Investment environment, Investment alternatives, the investment process, Determinants of investment, Career opportunities in investment.
<b>LU 2</b>	<b>LH 5</b>	<b>Security Markets</b> Money market, Capital market, Primary market, Secondary market, Mechanics of investing in securities, Trading mechanism, Regulations of security market in Nepal, Market indexes.
<b>LU 3</b>	<b>LH 6</b>	<b>Investment Companies</b> Investment companies, Net assets value, Major types of investing companies, Investment policies, Mutual fund taxation Mutual fund performance, Evaluating mutual funds, Closed – end fund premiums and discounts, Mutual fund in Nepal
<b>LU 4</b>	<b>LH 12</b>	<b>Portfolio Management</b>

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		Risk and return of single asset, Risk and return of portfolio, The efficient set theorem, Concavity of the efficient set, The capital assets pricing model, Capital market line, Risk free lending and borrowing, Defining the risk free asset, Allowing for risk free lending, Allowing for risk free borrowing, Allowing for both risk free borrowing and lending, Systematic risk versus unsystematic risk, Security market line, Arbitrage pricing theory
<b>LU 5</b>	<b>LH 8</b>	<b>Bond Valuation</b> Concept and Features of bond, Bond prices and yields, Interest rate risk, Duration, Rules of duration, Convexity, Immunization, Bond market in Nepal.
<b>LU 6</b>	<b>LH 8</b>	<b>Stock Valuation</b> Features of Common Stock, The Zero Growth Model, The Constant Growth Model, The Multiple Growth Model, Valuation based on Finite Holding Period, Models based on Price Earnings Ratio, Features of Preferred Stock, Valuation of Preferred Stock.
<b>LU 7</b>	<b>LH 6</b>	<b>Risk Management and Derivatives</b> Derivatives Securities and Underlying Assets, Call and Put Option, Valuation of Options, Put Call Parity, Futures and Swaps, Risk Management Approach, Derivatives Market in Nepal
<b>References</b>		<ol style="list-style-type: none"> <li>1. Sharpe, W. F., Alexander, G.J., and Jeffery, V. Bailey, <i>Investments</i>. Prentice-Hall of India Pvt. Ltd., New Delhi.</li> <li>2. Bhalla, V. K., <i>Investment Management: Security Analysis and Portfolio Management</i>. S. Chand &amp; Company Pvt. Ltd., New Delhi.</li> <li>3. Reilly, F. K. and Brown, K. C., <i>Analysis of Investment&amp; Management of Portfolios</i>. Cengage Learning India Pvt. Ltd.</li> <li>4. Bodie, Z., Kane, A., Marcus, A. J. and Mohanty, P. <i>Investments</i>, Tata McGraw –Hill, Education Pvt. Ltd., New Delhi.</li> </ol>

Net Contact Hour is 48 excluding the exams and tests.

Evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination