

SHORT TERM COURSE – GOVT. COLLEGE, PUNJAB
CERTIFICATE COURSE IN STOCK MARKET AND TRADING OPERATIONS

Objective:

The objective of this course is to equip the students with the highest standards of ethics, education, and professional excellence in the stock market industry and with wide experience in the securities trading operations.

Duration of the Course: 6 Months

Eligibility: A student enrolled in any of the degree courses in college.

Learning Outcome:

After completing the course, the student will be able to:

1. Understand the working of the investment industry.
2. Prepare and analyse financial statements of all forms of business entities.
3. Understand different types of securities and their differences.
4. Fundamentally analyse different types of securities on the levels of economy, industry and company.
5. Perform Technical Analysis, draw charts, draw support and resistance levels and also understand Price Patterns.
6. Manage portfolio of investments depending on the need of the investor.
7. Use derivatives for arbitrage, hedging and speculation purposes.
8. Calculate, assess and manage risks

INSTRUCTIONAL DESIGN

PROGRAMME STRUCTURE

| CODE | COURSE TITLE | CREDIT |
|-------------|--|---------------|
| GC-CST1 | ELEMENTS OF FINANCIAL SERVICES AND MARKET | 6 |
| GC-CST2 | BASICS OF SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT | 6 |
| GC-CST3 | RISK MANAGEMENT | 6 |
| | TOTAL | 18 |

Contents:

GC-CST1ELEMENTS OF FINANCIAL SERVICES AND MARKET

Max. Marks: 100

External: 70

Internal: 30

Pass: 35%

Credits: 6

INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions from the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any ten questions from this section.
4. The examiner shall give a clear instruction to the candidates to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.
5. The duration of each paper will be three hours.

INSTRUCTIONS FOR THE CANDIDATES:

Candidates are required to attempt any two questions each from the sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.

SECTION A

Knowledge of the investment industry: Meaning of the financial services industry; Types of financial services; Mutual funds, merchant banking, leasing, factoring, housing finance, Types of financial institutions including banks and insurance companies; Types and functions of the investment industry participants; Forces that affect the evolution of investment industry.

SECTION B

Debt and Equity Securities: Features and Types of Debt and Equity securities; Concepts of Current Yield and Yield to Maturity (YTM); Methods of Valuation of Debt and Equity securities; Risk and Return trade-off.

Stock Exchange: Functions, primary and secondary market, regulation of stock exchange, stock market operations.

GC-CST2 BASICS OF SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Max. Marks: 100

External: 70

Internal: 30

Pass: 35%

Credits: 6

INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions from the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any ten questions from this section.
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5. The duration of each paper will be three hours.

INSTRUCTIONS FOR THE CANDIDATES:

Candidates are required to attempt any two questions each from the sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.

SECTION A

Security Analysis (Fundamental): Meaning and Need of Fundamental Analysis; Factors affecting Economic Analysis, Industry Analysis and Company Analysis; Techniques used in Economic Analysis, Industry Analysis and Company Analysis

Security Analysis (Technical): Meaning and Need of Technical Analysis; Principles of Technical Analysis; Theories of Technical Analysis – The Dow Theory, Elliot Wave Theory, Random Walk Theory; Charting Techniques; Market Indicators; Support and Resistance Levels; Interpretation of Price Patterns; Differences between Fundamental Analysis and Technical Analysis

SECTION B

Portfolio Management: Process of portfolio management, Portfolio Theories, Markowitz Model of Risk – Return Optimisation; Capital Market Theory; Sharpe Model Index; Capital Asset Pricing Model (CAPM); Arbitrage Pricing Theory Model; Portfolio Evaluation Methods; Portfolio Revision and Rebalancing; Asset Allocation Strategies; Fixed Income Portfolio

GC-CST3 RISK MANAGEMENT

Max. Marks: 100

External: 70

Internal: 30

Pass: 35%

Credits: 6

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SECTION A

Risk Management: Definition and Types of Risks; Evaluation of Financial Risks (Operational Risk, Compliance Risk and Investment Risk); Tools of Risk Management; Value-at-risk (VAR) calculation; Forex risk, capital market risk, measures of risk.

SECTION B

Derivatives Analysis and Valuation: Concept, Types and Uses of Derivatives; Key Terms of derivative contracts; Futures and Forwards; Meaning of Options; Meaning of Swaps. Regulatory framework of derivatives.

Option and future: Significance and types of option and future.

Suggested Reading:

1. Bhalla, V.K. "Management of Financial Services", Anmol Publications Pvt. Ltd., New Delhi.
2. Pathak, Bharati, "Indian Financial System", Pearson Education, New Delhi