



Syllabus

1. Investments- Concepts & Features

- Micro & Macro-Economic Concepts Relating to Investments
- Investment Objectives
- Investment Process
- Security Analysis
- Financial & Non-Financial Forms of Investments
- Investment Environment & Opportunities
- Sources of Investment Information
- Nature of Security and Investment Analysis
- Process of Investment Decisions
- Financial Markets & Investments
- Behavioral Finance & Investments

2. Investment Avenues

- Classification of Securities
- Mutual Funds
- American Depository Receipts/ Global Depository Receipts
- Indian Depository Receipt
- Commodities
- Real Assets
- Real Estate
- Rural Savings
- Art & Antiques
- Basis of Selection of Securities
- Real Perception in Securities

3. Stock Market Indices

- Introduction
- Use of Indices
- Construction Process
- Market Capitalization Method
- Difference Between Indices
- Removal of a Stock from Indices
- Major Global Equity Indices

4. Depository System & Listing of Securities

- Need for Depositors
- Depository Process
- Depository Participants
- Formalities for Opening Demat Accounts
- Role of DPs

- Demat Accounts- Advantages, Disadvantages, Precautions & Safeguards
- Dematerialization Process
- Listing of Securities
- Listing Process
- Delisting of Securities
- Recent Developments

5. Futures & Options

- Introduction
- Derivation Markets
- Advantages of Options
- Forwards, Futures & Options
- Black Scholes Option Pricing Models
- Factors Affecting Options Price
- Futures
- Contract Specifications
- Futures in Indian Stock Markets
- Selection of Index for Futures
- Benefits of Index Futures
- Trading in Futures & Options

6. Real Estate

- Real Estate as Investment
- Types of Real Estate
- Advantages & Disadvantages of Investing in Real Estate
- Difference between Real Assets & Financial Assets
- Leveraging Real Estate Investments
- Risk & Return
- Essentials of Real Estate Deals
- Taxes & Insurance
- Upkeep & Maintenance

7. Risk & Return

- Definition of Risk
- Types of Risk
- Risk in Investments
- Risk Avoidance
- Contemporary Risk Models
- Measurement of Returns
- Asset Allocation Strategies
- Diversification Strategies

8. Multifactor Risk & Return Models

- Introduction
- CAPM Theory
- Security Market Line (SML)
- Multi-Factor Model of Risk & Return

9. Efficient Market Hypothesis

- Basic Concepts
- Random Walk Theory
- Predictability of Stock Returns- Empirical Evidences

- Weak, Semi-Strong & Strong Form of EMH
- Market Inefficiencies
- Maximization of Efficiency in a Market

10. Company Valuation

- Fundamental Principles of Valuation
- Valuation Models
- DCF Model
- EVA & MVA Models
- Use of Real Options in Valuation
- Effects of Undervaluation & Overvaluation
- Distress Valuation

11. Equity Valuation

- Introduction
- Return
- Multiple Holding Period
- Intrinsic Value vs. Market Value
- Traditional Methods of Valuation

12. Bond Valuation

- Bonds- Basics
- Bond Characteristics & Markets
- Bond Risk & Return
- Bond Yield & Yield to Maturity
- Term Structures & Interest Rates
- Bond Value Theorems
- Duration & Convexity
- Immunization

13. Technical Analysis

- Basic Principles
- Advantages & Criticism
- Technical Price Forecasting
- Technical Indicators
- Dow Theory
- Elliot Wave Theory
- Chart Patterns
- Trend Reversal
- Difference between Fundamental & Technical Analysis

14. Fundamental Analysis

- Economic Analysis
- Industry Analysis
- Factors Affecting Industrial Performance
- Company Analysis
- Financial Health

15. Portfolio Construction

- Principles of Portfolio Management
- Portfolio Theory
- Portfolio Management – Traditional & Modern Approaches
- Portfolio Creation
- Portfolio Risk Management
- Beta in Portfolio Selection
- Portfolio Performance Analysis

16. Markowitz Model

- Simple Diversification
- Problems of Diversification
- Three Security Portfolios
- Markowitz Efficient Frontier

17. Sharpe Portfolio Optimization Model

- Sharpe's Performance Index
- Sharpe's Single Index
- Sharpe's Optimal Portfolio
- Construction of Optimal Portfolio

18. Portfolio Evaluation

- Performance Evaluation
- Sharpe's Performance Index
- Treynor's Performance Index
- Jensen's Performance Index

19. Portfolio Revision & Management

- Portfolio Revisions
- Formula Plans
- Portfolio Revision & Transaction Costs
- Equity & Derivative Portfolios
- Equity & Debt Portfolios
- Managing Portfolios of Individuals & Corporate Clients
- Future of Portfolio Management in India

Additional Online reading

20. Indian Capital Markets

- Structure of Indian Capital Markets
- Statutory Requirements
- Integration with Global Capital Markets
- Capital Market Reforms
- Capital Market Expectations
- Performance of Indian Capital Markets

21. Stock Exchanges in India

- Stock Exchanges & Their Functions
- Commodity Exchanges
- Linkage with Global Stock Markets
- Institution Supporting Stock Market Operations
- Recent Developments in Stock Markets

- Regulatory Framework

22. Market Regulators

- Genesis of Capital Markets Regulation
- Securities & Exchange Board of India (SEBI)
- SEBI & FII Activities
- Reserve Bank of India (RBI)
- Insurance Regulatory & Development Authority of India (IRDA)
- Pension Fund Regulatory & Development Authority (PFRDA)
- Forward Markets Commission (FMC)
- Ministry of Finance

Association of International Wealth Management Of India (AIWMI), Regus, Level 9, Platina, Block G, Plot C-59, Bandra-Kurla Complex, Bandra (East) Mumbai – 400051 Ph: +91 8097661200/01 Fax: +91 22 67000600

Additional Reading

1. Introduction to Research Analyst Profession

- Role, Responsibilities & Desired Qualities of a Research Analyst
- Basic Principles
- Code of Conduct for Research Analysts
- Ethics
- Disclosure Requirements for Research Analysts

2. Qualities of a Good Investment Research Report

- Qualities of a good investment research report
- Checklist for Investment Research Reports

3. Financial Statement Analysis

- Business Activities & Financial Statements
- Analysis of Balance Sheet & Income Statements
- Analysis of the Statement of Shareholder's Equity
- Analysis of Cash Flow Statement
- Analysis of Profitability
- Analysis of Growth & Sustainability

4. Alternative Investments

- Basics of Alternative Investments
- AIF Industry in India
- Regulations

5. Mathematics for Investment Management

- Foundations- Symbols & Rules, Sequences & Series, Exponents & Logarithms, Equations & Inequalities, Functions & Graphs
- Calculus- Differential Calculus, High Order Derivatives, Financial Applications of Second Derivatives, Optimization
- Linear Mathematics and Matrix Algebra- Matrices & determinants, Eigenvalues & Eigen Vectors, Numerical Optimization
- Descriptive Statistics- Moment of Distribution, Measures of Dispersion
- Probability in Finance- Probability Distributions, Joint Distributions
- Regression Analysis in Finance- Simple & Multiple Linear Regression, Confidence Intervals, Hypothesis Testing, Random Walks & Mean Reversions, Maximum Likelihood Estimation