

Guidelines for CBCS Revised Syllabus w.e.f. 2019-20

Generic Elective Paper BCH 3.4 (a)

“Investing in Stock Markets”

Organised By

**Department of Commerce, Delhi School of Economics, University of Delhi
&
Sri Venkateswara College, University of Delhi**

Minutes of the Guidelines Meeting

Date: 15th October, 2020

An online meeting was conducted by the Department of Commerce, Delhi School of Economics, University of Delhi in association with Sri Venkateswara College, University of Delhi on 15th October, 2020 at 3 pm on Google Meet platform (link: : <https://meet.google.com/kiy-kiby-zec>) to decide the teaching and assessment guidelines for **Generic Elective Paper BCH 3.4 (a) titled “Investing in Stock Markets”** offered to Honours courses in Semester 3 under CBCS (LOCF) (As per Revised CBCS Syllabus w.e.f. 2019-20 onwards).

A total of 35 faculty members from various colleges in University of Delhi attended the meeting. Dr Sunaina Kanojia, Associate Professor, the Department of Commerce, Delhi School of Economics, University of Delhi represented the Department. The meeting was convened by Dr. Shruti Mathur, Assistant Professor, Department of Commerce, Sri Venkateswara College.

The meeting was attended by the following participants:

S.N.O	FULL NAME	NAME OF THE COLLEGE
1.	Dr. Sunaina Kanojia (Representative from Deptt. Of Commerce, D.S.E.)	Department of Commerce, Delhi School of Economics, University of Delhi
2.	Dr Shruti Mathur (Convenor)	Sri Venkateswara College
3.	Deepika	ARSD COLLEGE
4.	Monica Aggarwal	Aryabhatta college
5.	Dr. Jitendra Kumar Singh	Aryabhatta College
6.	Anu Priya Arora	Atma Ram Sanatan Dharma College
7.	Dr. Rajni	Bharati College
8.	Anuj Jatav	College of Vocational Studies
9.	Dr Indu Gupta	Dyal Singh (Evening) College

10.	Dr. Meenu Rani	Deshbandhu college
11.	Anish Gupta	Dr Bhimrao Ambedkar College
12.	Priyanka Yadav	Dyal Singh College(M)
13.	Rupal Arora	Gargi College
14.	Ashutosh Yadav	Hansraj College
15.	Saba Abid	Indraprastha College for Women
16.	Charu Sarin	Jesus and Mary College
17.	Sonia Kamboj	Kalindi College
18.	Dr. Smita Meena	Kamala Nehru College
19.	Nikita Pasan	Kamala Nehru College
20.	Nidhi Aggarwal	Keshav Mahavidyalaya
21.	Dr Neelam Kapoor	Lakshmibai college
22.	Amit Kumar	Maharaja Agrsen College
23.	Ginmunlal Khongsai	Maitreyi College
24.	Nazia Hasan	Motilal Nehru College (morning)
25.	Ramesh Kumar	Pgdav College Eve
26.	Laxmi	Rajdhani College
27.	CA. Dr. Vishal Pandey	Ramjas College
28.	Preeti Gupta	SGND Khalsa College
29.	Ashween Kaur Anand	SGTB Khalsa College
30.	Dr. ANSHU JAIN	Shaheed Bhagat Singh Eve College
31.	Jyoti Yadav	Shivaji college
32.	Dixit Yadav	SRCC
33.	Namita Jain	SRCC
34.	Sharad Choudhary	Sri Aurobindo College Evening
35.	Dr Jappanjyot Kaur Kalra	Sri Guru Gobind Singh College Of Commerce

The following guidelines were decided in the meeting with the consent of all teachers and the representative of Department of Commerce, University of Delhi to maintain uniformity in the pattern of teaching at various colleges.

1. A tentative allocation of hours of teaching of various sections of the syllabus.

- Total number of lectures as per the UGC norms. Lectures to be allocated *equally* between all units.

2. A tentative allocation of weightage of marks of various sections of the syllabus

- *Equal* weightage of all units.

3. Coverage of topics and Focus areas

All topics mentioned in the syllabus are to be covered. Unit-wise Scope and focus areas are as under:

UNIT-I: BASICS OF INVESTING	
TOPIC	SCOPE & FOCUS
Basics of Investment & Investment Environment	<ul style="list-style-type: none"> • Concept and Nature of Investment, • Objectives of Investment, • Investment Process, • Types of Investing, • Investment, Speculation and Gambling
Risk and Return	<ul style="list-style-type: none"> • Concept of risk and return. • Types of risk. • Risk - return trade off. • Types of Investors • Practical problems (Numericals) on calculation of return and risk, Average Return (based on Arithmetic Mean) and Expected return and risk calculation. Coefficient of Variation (<i>Impact of inflation and taxes not to be covered</i>)
Instruments of Investment - Equity shares, Preference shares, Bonds and Debentures	<ul style="list-style-type: none"> • Characteristics and distinctions between different instruments by individuals and institutions
UNIT II: INDIAN SECURITY MARKETS	
TOPIC	SCOPE & FOCUS
Primary Markets (IPO, FPO, Private placement, Offer for sale):	<ul style="list-style-type: none"> • Coverage of all concepts (IPO, FPO, Private placement, Offer for sale):. • Role and importance of Primary market. • Focus on IPO and Book Building process.
Secondary Markets (cash market and derivative market):	<ul style="list-style-type: none"> • Role and Importance of secondary market and comparison with Primary Market.

Futures and Options)	<ul style="list-style-type: none"> • Introduction to basic concepts and role of cash & derivatives market. • Futures and Options: Use of these as trading instruments and Distinctions between Futures & Options. • Call and Put Options (Fundamentals and Payoffs). • No practical problems/ Numericals on Futures.
Market Participants: Stock Broker, Investor, Depositories, Clearing House, Stock Exchanges. Role of stock exchange	<ul style="list-style-type: none"> • Focus on Roles of the participants and distinguishing features
Stock exchanges in India: BSE, NSE, MSEI	<ul style="list-style-type: none"> • Features and Overview
Security Market Indices: Nifty & Sensex	<ul style="list-style-type: none"> • Concept of stock indices • Composition of an index (Fundamental factors considered by Nifty & Sensex). • Indices as barometers of economy,
Sources of financial information	<ul style="list-style-type: none"> • Overview
Trading in securities: types of orders, using brokerage and analyst recommendations	<ul style="list-style-type: none"> • Overview of all concepts • Process of trading (Opening a demat account etc), • Rolling settlement,
UNIT III: FUNDAMENTAL ANALYSIS	
TOPIC	SCOPE & FOCUS
Top down and bottom up approaches, Analysis of international & domestic economic scenario, Industry analysis	<ul style="list-style-type: none"> • Focus on EIC framework Concepts and components
Company analysis (Quality of	<ul style="list-style-type: none"> • Overview of concepts and components of company

management, financial analysis : Both Annual and Quarterly, Income statement analysis	analysis both qualitative as well as quantitative factors. <ul style="list-style-type: none"> • Focus on concepts and Interpretation
Position statement analysis including key financial ratios, Cash flow statement analysis, Industry market ratios: PE, PEG, Price over sales, Price over book value, EVA), Understanding Shareholding pattern of the company	<ul style="list-style-type: none"> • Interpretation of all ratios and <i>Practical questions/ Numericals on Key Ratios: EPS, DPS, PE, PEG, Price over sales, Book value per share, Price over book value, Dividend Yield, Earning Yield, Debt Equity Ratio</i>

UNIT-IV: TECHNICAL ANALYSIS

TOPIC	SCOPE & FOCUS
Trading rules (credit balance theory, confidence index, filter rules, market breadth, advances vs declines)	<ul style="list-style-type: none"> • Concept and interpretation of <ul style="list-style-type: none"> ○ The credit balance theory ○ Barron’s confidence index ○ Filter rules ○ Market breadth Analysis ○ Advances – decline ratio
Charting (use of historic prices, simple moving average and MACD) basic and advanced interactive charts.	<ul style="list-style-type: none"> • Concept and interpretation of all charts. • Line, bar, candle stick and point and figure charts • Focus on moving average and MACD charts, • Understanding of support and resistance levels
Do’s & Don’ts of investing in markets	<ul style="list-style-type: none"> • Overview of Principles of sound investing and pitfalls

UNIT-V: INVESTING IN MUTUAL FUNDS

TOPIC	SCOPE & FOCUS
Concept and background on Mutual Funds: Advantages, Disadvantages of investing in Mutual Funds	<ul style="list-style-type: none"> • Concept and Structure of Mutual Funds • Evolution of MF in Indian context • Advantages & Disadvantages
Types of Mutual funds: Open	<ul style="list-style-type: none"> • Discussion on open and close ended MFs; equity,

ended, close ended, equity, debt, hybrid, money market, and entry load vs. exit load funds, Factors affecting choice of mutual funds	debt, hybrid funds and money market funds; interpretation of loads and expense ratio <ul style="list-style-type: none"> • No practical problems/ numericals on Loads, Expense Ratio etc. • Coverage of factors affecting choice of MF
CRISIL mutual fund ranking and its usage,	<ul style="list-style-type: none"> • CRISIL rankings in respect of MF to be covered
Calculation and use of Net Asset Value	<ul style="list-style-type: none"> • Numerical on calculation of NAV of the Mutual fund. • Return on MF not to be covered.

4. Pattern of expected question paper for the University Examination.

General Guidelines:

Duration 3 Hours

Total marks: 100 (25 Marks Internal Assessment + Question Paper should be of 75 Marks)

- Comprehensive coverage of entire syllabus.
- Question paper should comprise 5 questions of 15 marks each.
- Internal choice must be given in all questions.
- The questions may have sub parts.
- Not more than two questions in the paper may be practical (numerical) based. The numerical component to have a weightage of 8 marks in each of these questions. Practical/ numerical problems may only be from the topics mentioned in the guidelines.


The meeting ended with a vote of thanks by the convenor. The convenor appreciated and thanked Prof. R.K. Singh, Head and Dean, Department of Commerce, Delhi School of Economics, University of Delhi for the conduction of the guidelines meetings. The convenor also expressed her gratitude to Dr S. Venkata Kumar, Principal, Sri Venkateswara College for his support and guidance in organising the meeting. Special thanks were given to Dr. Amit Kumar Singh, (Coordinator), Associate Professor, Department of Commerce, DSE, University of Delhi, for his encouragement and keen interest in executing this meeting. Heartfelt thanks were given to Dr. Sunaina Kanojia (Representative), Associate Professor, Department of Commerce, DSE, University of Delhi, for her valuable insights and support in

the meeting. All the participants in the meeting were also appreciated for their ideas and suggestions which enriched the discussions. The meeting ended at 4:30 pm.



Dr. Shrutu Mathur
(Convenor of the Meeting)

Assistant Professor
Department of Commerce
Sri Venkateswara College
University of Delhi



Dr. Sunaina Kanojia
(Representative, Department of
Commerce, DSE)
Associate Professor
Department of Commerce
Delhi School of Economics
University of Delhi