

SECURITY TRADING PRACTICES

Programme	B.A. Economics				
Course Title	SECURITY TRADING PRACTICES				
Type of Course	MDC				
Semester	I				
Academic Level	100 – 199				
Course Details	Credit	Lecture per week	Tutorial per week	Practical per week	Total Hours
	3	3	-	-	45
Pre-requisites	Basic course on stock market of level 0 - 99				
Course Summary	This course is designed to provide a theoretical and practical background in the field of investments.				

COURSE OUTCOMES (CO):

CO	CO Statement	Cognitive Level*	Knowledge Category#	Evaluation Tools used
CO1	Students will acquire a conceptual foundation in the field of investments.	U	C	Instructor-created exams / Quiz
CO2	Learners will gain skills in designing and managing both bond and equity portfolios in real-world scenarios.	Ap	P	Practical Assignment using paper trading app
CO3	Students will be able to value various financial instruments, including equity and debt securities	An	P	Seminar Presentation / Group Discussion
CO4	Evaluate the characteristics of various avenues of investment.	E	M	Instructor-created exams / Home Assignments

* - Remember (R), Understand (U), Apply (Ap), Analyse (An), Evaluate (E), Create (C)
 # - Factual Knowledge(F) Conceptual Knowledge (C) Procedural Knowledge (P) Metacognitive Knowledge (M)

DETAILED SYLLABUS:

Module	Unit	Content	Hrs	Marks
I	Investment Environment, Markets and Instruments		8	11
	1	Financial Market—Primary and Secondary market	1	
	2	instruments of secondary market;	1	
	3	Major Agencies of Secondary market: NSE, BSE, CDSL, NSDL, SEBI	2	
	4	Different types of trading—overview of derivative market, futures and options, Major indices of BSE and NSE.	2	

5	Different trader in the secondary market—FIIs, DIIs, retailers	2	
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II	Equity Selection		8	11
	6	The Fundamental Analysis: Meaning and importance	1	
	7	Important ratios; Price-to-Earnings (P/E) ratio-Price-to-Book (P/B) ratio -Dividend Yield, Earnings Per Share (EPS), ROCE and ROE, D/EBITDA, EV/ EBITDA	2	
	8	Technical Analysis: Meaning and importance	2	
	9	important methods—chart, candle sticks-- important indicators namely, Support, resistance, RSI, Moving Average, volume, price channel, VIX –	3	
III	Portfolio Creation		8	11
	10	Theories of portfolio creation: Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT), Markowitz portfolio theory, Behavioural Portfolio Theory	4	
	11	Different types of Brokers-- Process of opening a demat account with a discount broker--	2	
	12	Maintain trading account details— P& L statement-- capital gain – capital gain tax -- details that are to be included in the income tax return.	2	
IV	Trade Management		12	17
	13	Different Sectors in secondary market eg Banking, Auto, pharma, IT, infrastructure, FMCG etc.	2	
	14	Portfolio allocation and selection in different sectors. Maintaining risk- reward—Position sizing of equities	2	
	15	Capital building through cumulative investment	2	
	16	Trader psychology—need and approach to maintain good psychology by a trader	2	
	17	Practice—download a virtual trading platform and selection	1	
	18	Creating portfolio composing of multiple segments	1	
	19	Getting familiar with the demat account of any one broker preferably select one who do not charge AMC or brokerage fees	2	
V	Open Ended Module		9	
		Analyze the current trend Draw accurate trend lines Identify crucial support and resistance levels Make informed decisions on entry and exit points Trade in range-bound markets Use trading signals with different indicators		

Note: The course is divided into five modules, with four modules together having total 19 fixed units and one open-ended module with a variable number of units. There are total 36 instructional hours for the fixed modules and 9 hours for the open-ended one. Internal assessments (25 marks) are split between the open-ended module (5 marks) and the fixed modules (20 marks). The final exam, however, covers only the 19 units from the fixed modules. The 50 marks shown in the last column, distributed over the first four modules, is only for the external examination.

REFERENCE:

1. "Investments" by Zvi Bodie, Alex Kane, and Alan J. Marcus (McGraw-Hill, 12th edition, 2023)
2. "The Stock Market Game" by Robert Hagstrom (John Wiley & Sons, 10th edition, 2022)
3. "Investing for Dummies" by Matthew Krantz (Wiley, 6th edition, 2023)
4. "The Intelligent Investor" by Benjamin Graham (HarperCollins, Revised edition by Jason Zweig, 2003)
5. "Security Analysis" by Benjamin Graham, David L. Dodd, and Sidney B. Zweig (McGraw-Hill, 8th edition, 2014)
6. "Technical Analysis Explained" by Martin Pring (McGraw-Hill, 5th edition, 2018)
7. "Trading in the Zone" by Mark Douglas (Harriman House Publishers, 3rd edition, 2011)
8. "Demat and Trading Guide" by NSE Academy (Available online at nseindia.com)
9. "A Random Walk Down Wall Street" by Burton Malkiel (Norton, 13th edition, 2023)
10. "The Art of Asset Allocation" by Roger Ibbotson and Rex Sinquefeld (Wiley, 5th edition, 2019)

