

GE-BMS

WEALTH MANAGEMENT

Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course	Department offering the course
		Lecture	Tutorial	Practical/ Practice			
Wealth Management(GE 4)	4	3	1	0	Class XII	None	Management Studies

Learning Objectives

The Learning Objectives of this course are as follows:

- To familiarise students with the essential concepts and fundamentals of financial investments. The course will enable them to understand and make informed choice about the various available financial investment alternatives.

Learning outcomes

The Learning Outcomes of this course are as follows:

On successful completion of his course, the students will be able to:

- Provide an overview of various aspects related to wealth management.
- Understand the fundamentals of financial investments and the investment decision process.
- Able to compute various measures of risk and return, and understand their role for evaluating investments.
- Understand and carry out security analysis using different approaches.
- Learn basic approaches to managing portfolios.

SYLLABUS OF GE-4

Unit 1: Basics of Wealth Management and Investments

Introduction to Wealth Management, Need for Wealth Management, Components of Wealth Management, Process of Wealth Management. Concept of Investment, Financial Investment Vs. Real Investment, Investment Vs. Speculation, Objectives or Features of Investment, Risk Return Trade Off, Investment Environment – Overview of Securities Market and Different Types of Financial Investment. Investment Decision Process, Direct Investing Vs Indirect Investing, Approaches to Investing – Active Vs Passive.

Unit 2: Risk – Return Analysis

Concepts of Return and Risk, Types of Return (their calculation & utility): Absolute Return, Average Return, Expected Return, Holding Period Return, Effective Annualised Return, Portfolio Return, Risk-Adjusted Return. Causes (or Sources) and Types of Risk – Systematic and Unsystematic Risk, Components of Systematic and Unsystematic Risk. Calculation of Total, Systematic and Unsystematic Risk. Impact of Taxes and Inflation on Investment – Computation of Post Tax and Real Returns.

Unit 3: Security Analysis

Approaches to Security Analysis – Fundamental Analysis, Technical Analysis, and Efficient Market Hypothesis (EMH). Fundamental Analysis – EIC Framework, Economic Analysis, Industry Analysis, and Company Analysis. Technical Analysis – Basic Tenets of Technical Analysis, Tool of Technical Analysis – Charts, and Technical Indicators, Limitations of Technical Analysis. Difference between Fundamental Analysis and Technical Analysis.

Unit 4: Portfolio Management & Estate Planning

Traditional portfolio management for individuals: Objectives, constraints, time horizon, current wealth, tax considerations, liquidity requirements, and anticipated inflation. Asset allocation: Asset allocation pyramid, investor life cycle approach. Portfolio management services: Passive – Index funds, systematic investment plans. Active – market timing, style investing. Portfolio Analysis – Portfolio Risk and Portfolio Return. Estate Planning – Fundamentals of Estate Planning, Impact of Property Ownership and Beneficiary Designations, Estate Planning Documents, and Executing Basic Estate Planning.

Practical component (if any) - NIL

Essential/recommended readings

- Tripathi, Vanita: Security Analysis and Portfolio Management. Taxmann Publications.
- Chandra, Prasanna: Investment Analysis and Portfolio Management. McGraw Hill Education.

Suggestive readings -

- Randall S. Billingsley, Lawrence J. Gitman, and Michael D. Joehnk (2017): Personal Financial Planning. Cengage Learning.
- Susan M. Tillery, and Thomas N. Tillery: Essentials of Personal Financial Planning. Association of International Certified Professional Accountants.
- Singh, Rohini (2017): Security Analysis and Portfolio Management (2nd Edition). Excel Books.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.