

Semester VIII

DISCIPLINE SPECIFIC CORE COURSE (DSC- 8.1)

Asset Management

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Total Credits	Lectures	Tutorial	Practical	Eligibility	Prerequisite of the course
Asset Management	4	3	1	0	As Per University Norms	None

Learning Objectives

The aim of this course is to provide the students a comprehensive understanding of the concept and significance of asset management within the insurance sector, the historical evolution and contemporary scope of asset and liability management (ALM). key financial markets and instruments relevant to insurance investments. It equips the learners with knowledge of legal, regulatory, and ethical considerations impacting asset management in insurance companies. This course will provide the essential skills in the handling of risk and return in asset management, key risk metrics (e.g., beta, standard deviation), and develop portfolio management and asset allocation strategies, including global and currency risk management. The course focuses on exploring the investment styles: value, growth, and income investing, active vs. passive strategies including index funds and ETFs and portfolio performance using risk-adjusted measures.

Learning Outcomes

After completing this course, the learners would be able to:

- Define and describe asset and liability management and its role in insurance companies.
- Interpret historical developments and regulatory influences in asset management.
- Identify and compare various financial instruments and markets.
- Apply tools of fundamental, technical, and quantitative analysis for security selection.
- Formulate investment strategies tailored to the insurance investment framework.
- Quantify risk and return metrics and relate them to portfolio construction.
- Design portfolios aligned with risk-return preferences using modern portfolio theory principles.
- Evaluate portfolio performance using industry benchmarks and attribution models.

Unit 1. Introduction to Asset Management: (10 hours)

Definition and importance of asset management. Historical perspective and evolution of asset management. Scope & objectives of asset & liability management in insurance business. Regulatory and ethical considerations: legal and regulatory aspects of asset management. Ethical considerations and fiduciary responsibilities.

Unit 2. Investment Alternatives: (11 hours)

Financial markets and instruments: overview of financial markets (stock markets, bond markets, derivatives markets, etc.). Types of financial instruments (stocks, bonds, options, futures, etc.). Market participants and their roles. Security market analysis and investment decision. Investment strategies and asset classes: equity investments. Fixed-income investments. Alternative investments. Security Analysis: Fundamental analysis. Technical analysis. Quantitative analysis.

Unit 3. Risk and Return: (12 hours)

Understanding risk and return trade-offs. Measures of risk (standard deviation, beta, etc.). Portfolio theory and diversification. Modern portfolio theory and efficient frontier. Asset Allocation: Asset allocation strategies and approaches. Asset allocation based on investor's risk tolerance and objectives. Portfolio Management: Active vs. passive portfolio management. Strategies for portfolio construction and optimization. Rebalancing and monitoring portfolios. Portfolio risk management: hedging strategies. Derivatives for risk management. International asset management: global asset allocation. Currency risk management.

Unit 4. Investment Strategies: (12 hours)

Value investing. Growth investing. Income investing. Alternative investments (real estate, private equity, hedge funds, etc.). Investment Management Styles: Active management. Passive management (index funds and ETFs). Factor-based investing. Performance Evaluation and Measurement: Risk-adjusted performance measures (Sharpe ratio, Treynor ratio, etc.). Benchmarking and tracking error. Performance attribution.

Suggested Readings:

Bodie, Z., Kane, A., & Marcus, A. J. (2021). *Investments* (12th ed.). McGraw-Hill Education.

Fabozzi, F. J. (2015). *Bond markets, analysis, and strategies* (9th ed.). Pearson Education.

Reilly, F. K., & Brown, K. C. (2011). *Investment analysis and portfolio management* (10th ed.). Cengage Learning.

CFA Institute. (2020). *CFA Program curriculum* (Levels I–III). Wiley.

Elton, E. J., Gruber, M. J., Brown, S. J., & Goetzmann, W. N. (2014). *Modern portfolio theory and investment analysis* (9th ed.). Wiley.

Maginn, J. L., Tuttle, D. L., Pinto, J. E., & McLeavey, D. W. (2007). *Managing investment portfolios: A dynamic process* (3rd ed.). CFA Institute & Wiley.

Swensen, D. F. (2009). *Pioneering portfolio management: An unconventional approach to institutional investment* (Updated ed.). Free Press.

Litterman, R. (Ed.). (2003). *Modern investment management: An equilibrium approach*. Wiley.

Strong, R. A. (2011). *Practical investment management* (4th ed.). Cengage Learning.

Statman, M. (2011). *What investors really want: Know what drives investor behavior and make smarter financial decisions*. McGraw-Hill Education.

Semester VIII

DISCIPLINE SPECIFIC ELECTIVE COURSE (DSE-I 8.1)

Fundamentals of Insurance-Linked Securities

Offered by Commerce Department, College of Vocational Studies

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Total Credits	Lectures	Tutorial	Practical	Eligibility	Prerequisite of the course
Fundamentals of Insurance-Linked Securities	4	3	1	-		

Learning Objectives

This course will help students to gain knowledge of securitization and insurance-linked securities (ILS), the benefits, costs, and issuing structures of ILS, the role of capital markets in supporting the insurance sector through securitization. The course begins by introducing to the key aspects of Capital Market Instruments Relevant to Insurers. Students will be acquainted with the range of capital market instruments available to insurers, Alternative Risk Transfer (ART) mechanisms. This course will help students to know about Non-Life Securitisation and Life Securitisation