

# Curriculum

## **I. Introduction to Research Analyst Profession**

- A. Understand the Primary role of a Research Analyst
- B. Know the Primary responsibilities of a Research Analyst
- C. Know the Basic principles of interaction with Companies / Clients
- D. Understand the Important qualities of a Research Analyst

## **II. Introduction to Securities Market**

- A. Know about “Securities” and “Securities Market”
- B. Understand Product Definitions / Terminology
- C. Know the Structure of Securities Market
- D. Know Various market participants and their activities
- E. Learn about the Kinds of transactions.
- F. Know about Dematerialization and Rematerialization of securities

## **III. Terminology in Equity and Debt Markets**

- A. Know about the Terminology in Equity Market
- B. Know about the Terminology in Debt Market
- C. Understand the Types of Bonds

## **IV. Fundamentals of Research**

- A. Learn about investing
- B. Understand the Research on businesses or stocks
- C. Understand Fundamental Analysis - Top down approach and Bottom up approach
- D. Understand Technical Analysis
- E. Know about Behavioural Finance

## **V. Economic Analysis**

- A. Understand the basic principles of microeconomics
- B. Know the basic principles of macroeconomics
- C. Know the Introduction to various macroeconomic variables
- D. Know about the Sources of information for economic analysis

## **VI. Industry Analysis**

- A. Understand Dr. Michael Porter’s five force model for industry analysis
- B. Understand Political, Economic, Socio-cultural, Technological, Legal and Environmental (PESTLE) Analysis
- C. Understand Boston Consulting Group (BCG) Analysis
- D. Understand Structure Conduct Performance (SCP) Analysis
- E. Know the Key Industry Drivers
- F. Understand the Regulatory environment/framework
- G. Know about the Sources of information for industry analysis

## **VII. Company Analysis – Qualitative Dimensions**

- A. Understand Business and Business Models

- B. Know the Competitive Advantages/Points of differentiation over the competitors
- C. Understand Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
- D. Know about Quality of management (including independent directors) and governance
- E. Understand Pricing power and sustainability of this power
- F. Know about the Organization structure
- G. Understand Critical business drivers/success factors
- H. Know about the Risks in the business
- I. Understand Compliance orientation of the company
- J. Know about the Documentation on Guidance v/s Actual
- K. Know about the Sources of information for analysis

### **VIII. Company Analysis – Quantitative Dimensions**

- A. Know the History of Business Vs. Future of Business
- B. Understand the Basics of Profit and Loss Account (P/L)
- C. Understand the Basics of Balance Sheet (B/S)
- D. Understand the Basics of Cash Flows
- E. Know about the Contingent Liabilities, Off-balance sheet items, Accounting Policies, Notes to Accounts
- F. Know the Basics of Taxation affecting to Companies
- G. Know about the Important points to keep in mind while looking at financials
- H. Know about the Quality of business in the past through quantitative lenses
- I. Peeping in to future with caution
- J. Understand Peer Comparison
- K. Know the History of Equity expansion
- L. Understand about Dividend and earnings history
- M. Know the History of corporate actions
- N. Know the Ownership and Insiders' Sales and Purchase of stocks in the past

### **IX. Corporate Actions**

- A. Understand the philosophy of corporate actions

### **X. Valuation Principles**

- A. Know the difference between Price and Value
- B. Understand why Valuations are required
- C. Know the Sources of Value in a Business – Earnings and Assets
- D. Learn about the Discounted Cash Flows model for Business Valuation
- E. Learn about Absolute Valuations vs. Price-Value sense
- F. Know the Earnings based Valuation Matrices
- G. Know the Assets based Valuation Matrices
- H. Understand the Relative Valuations - Trading Multiples and Transaction Multiples
- I. Know the Sum-Of-The-Parts (SOTP) Valuation
- J. Know the other Valuation Parameters in new age economy and businesses
- K. Understand the Capital Asset Pricing Model
- L. Understand the Objectivity of Valuations
- M. Know some important considerations in the context of Business Valuation

### **XI. Fundamentals of Risk and Return**

- A. Understand the Concept of return of investment and return on investment
- B. Know the Calculation of simple, annualized and compounded returns

- C. Learn about the Risks in investments
- D. Know the Concepts of market risk (Beta)
- E. Understand Sensitivity analysis to assumptions
- F. Know the Concept of Margin of Safety
- G. Know the Comparison of equity returns with bond returns
- H. Know the Basic Behavioural Biases influencing investments
- I. Know about some pearls of wisdom from Investment Gurus across the world

## **XII. Qualities of a good Research Report**

- A. Learn about the Qualities of a good Research Report
- B. Know about the Checklist based approach to the Research Reports
- C. Know about the sample checklist for Investment Research Reports

## **XIII. Legal and Regulatory Environment**

- A. Understand the Regulatory infrastructure in Financial Markets
- B. Understand the Important regulations in Indian Securities Market
- C. Know the Code of Conduct/Ethics for Research Analysts
- D. Know the Disclosure Requirements for Research Analysts

### **Annexure:**

- A. Case Studies (Some cases from history on market events)
- B. Suggested Readings
- C. Reference websites