[Glossary]

Portfolio Theory (Part - 1)

Subject:	Business Economics
Course:	B. A. (Hons.), 5th Semester, Undergraduate
Paper No. & Title:	Paper – 511 Investment Management
Unit No. & Title:	Unit – 3 Portfolio Theory
Lecture No. & Title:	Lecture – 1 Portfolio Theory (Part - 1)

Glossary

1. Portfolio

It refers to a range of investments held by a person or organization.

2. Capital appreciation

It refers to increase or upward movements in prices of securities.

3. Assets

It refers to a resource with economic value that an individual, corporation or country owns with an expectation of future benefit.

4. Bonds

It is a debt instrument where an investor loans money to a corporate or government entity in return of a fixed interest rate.

5. Speculation

It is the act of trading in an asset that has very high risk and possibility of profits in short run.

6. Capital gains

It is an increase in the value of a capital asset (investment or real estate) that gives higher worth than initial purchase price.

7. Inflation

A sustained increase in general level of prices of goods and services in an economy over a period of time resulting in loss of value of currency.

8. Diversification

It is the process of allocating capital in a way that reduces the exposure to any one particular asset or risk.

10.Covariance

It is the measure of degree to which two risky assets move in tandem with each other.

11.Correlation

It is the measure of degree to which two securities move in relation to each other.