



Investing 101: Stock Market basics

Course Content

Class 1

ABC of Stocks

- What are Stocks
- Initial Public Offering (IPO)
- Listing process
- How the stock market works
- Case study: Berkshire Hathaway
- Capital Gain and Dividend
- Trading vs. Investing

Setting up a brokerage account

- Selecting a broker
- Signing up with a brokerage firm

Class 2

Case study: Coffee Stand

Balance Sheet

- Assets
- Liabilities
- Shareholder's Equity

Income Statement

- Revenue
- Expenses
- Profit/Loss

Cash Flow Statement

- Cash In
- Cash Out



- Why are some companies in Profit but have zero cash?
- Case study: Oil Companies (Pakistan)

Class 3

Investing in Companies

- Fundamental analysis vs. Technical analysis

Financial ratios

- Earning per share (EPS)
- Price to Earning ratio (PE)
- Book value
- Return on Assets (ROA)
- Dividend yield

Tricky tactics

- Insider Trading
- Pump & Dump

The Magic of Intrinsic Value

- Market Price of a share vs Intrinsic value of a share
- Discount Cash Flow method to calculate Intrinsic value
- PE ratio method to calculate Intrinsic value
- Why is Intrinsic Value of a company so important
- Does anyone really know how to calculate it

Class 4 & 5

Macro-economic analysis; The bigger picture

How to research

- Financial reports
- News (Print, electronic media, etc.)
- Political factors
- Socio-economic factors
- Earning potential



Sector specific

- Oil (OPEC meetings, Wars)
- Pharmaceuticals (Global pandemics)
- Technology (Socio-economic digital revolutions)
- Textiles (Export policies)
- Cement (Construction policies)
- Automobiles (Local demand factors, etc)

Class 6

How to operate the trading platform

- Low volume stock
- High volume stock
- Upper limit
- Lower limit

Demo application of trading platform

- Live investment/trading
- Buying and selling

Overview of the PSX Data Portal

Final Assessment: MCQs