Syllabus
FIN 639

Department:	**Economics and Finance**

Course Name:	**Portfolio Management**	**Course No.:**	**FIN 639**
Prerequisite:	**N/A**	**Credit Hours:**	**3**

Brief Description:

This course will cover several aspects of modern portfolio theory and its practical implications. The students are first introduced to commonly use quantitative tools and fundamental financial concepts including optimal portfolio selection, asset pricing, market efficiency and behavioural finance. Students will then be exposed to the asset management industry and be required to apply their theoretical knowledge to understand the process of developing, managing and evaluating these assets. To ensure deep learning of the tools and concept taught in this course, extensive use of real-world data to demonstrate how real-life situations play out. The students will also learn various strategies to manage funds, issues that impact performance, and issues in benchmarking and performance evaluation. Equities, Fixed Income Securities, Commodities, Real Estate, Alternate Funds, Emerging, Developing and Developed markets will be examined in the context of portfolio construction.

Course Objectives:

After completion of this course the student will be able to:

1. Explain Modern Portfolio theory and the Mean-Variance Framework;
2. Create an optimal investment portfolio by applying the portfolio theory
3. Derive the capital asset pricing model (CAPM) and other asset pricing models;
4. Apply CAPM and alternative factor models to measure and price risk, and identify and exploit mispriced securities
5. Discuss the notion of market efficiency and reconcile it with the anomalies found in the data;
6. Evaluate the performance of managed investments
7. Compare active and passive investment strategies, and their associate benefits and costs;
8. Collect and synthesise information and materials from a variety of different sources to support an argument.

Course Topics:

1. Risk and return measurement, interpretation and historical perceptive;
2. Portfolio Theory
3. Portfolio selection and asset allocation
4. The Capital market theory and asset pricing models
5. The efficient market hypothesis
6. Behavioural finance
7. Mutual funds and their performance

Text Book:

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

Additional References:

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

Bodie, Z., Kane, A., & Marcus, A. J. (2009). Investments, eight edition. International Edition.
Case Studies: will be distributed

Online Resources:

- **Bloomberg Terminal;**
- **Academic databases available through the University's Library website.**

	Measurement & Assessment Tools:					
Objectives			Obj 1.1 &1.2	Obj 2.2	Obj 3.1	Obj 4.2
Assessment tools	Grade	Week (Time period)	1	2	3	4
Midterm test	20	11th	✖			
Case study memorandum	15	12th			✖	
Project	15	15th		✖		
Assignment	10					✖
Final exam	40	As Dated	✖			
Total	**100**					

Extra credit					
Bloomberg Market Concepts (BMC): BMC is an 8-hour e-learning course that provides introduction to financial markets. This course consists of four modules – Economics, Currencies, Fixed Income and Equities. The BMC course utilizes Bloomberg data, news analytics and serves as a good introduction to Bloomberg. Here is the online link to the course (https://www.bloomberg.com/professional/product/bloomberg-market-concepts/). After creating a student account using your university email address, you can access the course—use code: (GJ8MXRZCYH). This course is free if taken from the Bloomberg terminal. Should you elect to take the course online, a student rate of $149 USD does apply. If you want to apply for exemption from the fees, please send me an email. You required to complete the course and answer all questions by the end of week 15. Upon the completion of the course, you will be able to access your certificate of completion under the BMC homepage. You can also cite your participation on your CV via LinkedIn.	5	15th	✖		

Tanitive Course Outline:			
Week	Hours	Topics	Readings
1	3	Risk and return measurement, interpretation and historical perceptive	Ch1 (RB)
2	3	The Economic Theory of Choice: The Opportunity Set Under Certainty	Ch1 (EGBG)
3	3	Portfolio Theory: The Opportunity Set Under Risk	Ch4 (EGBG)
4	3	Portfolio Theory: Delineating Efficient Portfolios	Ch5 (EGBG)
5	3	Calculation of the Efficient Frontier	Ch6 (EGBG)
6	3	Models of Equilibrium in The Capital Markets: The Standard Capital Asset Pricing Model (CAPM) and its Empirical tests	Ch13 and 15 (EGBG)
7	3	Models of Equilibrium in The Capital Markets: The Arbitrage pricing model	Ch 16 (EGBG)
8	3	First midterm test	
9	3	The Efficient market hypothesis	Ch 17 (EGBG)
10	3	Behavioural Finance	Ch 20 (EGBG)
11	3	The landscape of the Asset Management industry: Mutual Funds and Exchange Traded Funds (ETFs)	Ch 4 (BKV) and 25 (EGBG)
12	3	The landscape of the Asset Management industry: Hedge Funds and Sovereign Funds, Environmental, Social, and Governance (ESG) Investing	Ch26 (BKV) and 12 (EGBG pp 278-280)
13	3	Performance Evaluation	Ch 25 (EGBG) and Ch24 (BKV)
14	3	Performance Evaluation (cont.)	Ch 25 (EGBG) and Ch24 (BKV)
15	3	Investment Policy and the Framework of the CFA institute	Ch28(BKV)
16	3	Revision	

Approved by Dept. Chair: *Dr Fahad Al Mohaimeed*

Date of Approval:

Extra Information: *(Updated every semester and filled by course instructor)*

Course Instructor: **Dr Nassar S. Al-Nassar**
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