

DEREE COLLEGE SYLLABUS FOR: FN 3046 INVESTMENT ANALYSIS AND MANAGEMENT I

(Same as EC 3046 INVESTMENT ANALYSIS AND MANAGEMENT I)

(Updated Fall 2021)

UK LEVEL: 5
UK CREDITS: 15
US CREDITS: 3/0/3**PREREQUISITES:**

None

CATALOG DESCRIPTION:

Investment theory and practice including risk and return, asset allocation and diversification. Analytical techniques for investment planning and selection in the environment in which investment decisions are made.

RATIONALE:

This is the first of two courses in investment analysis and management. In this course, students are exposed to the theory of portfolio choice for the purposes of evaluating investment alternatives and constructing portfolios with desirable risk/return characteristics. The course prepares future portfolio managers to handle efficiently the tools for selecting assets, managing risk and constructing optimal portfolios. The analytical tools discussed in this course are as useful in solving cases as they are in research and are, therefore, useful to economics and finance students who intend to pursue graduate studies in this topic.

LEARNING OUTCOMES:

As a result of taking this course, the student should be able to:

1. Demonstrate knowledge and understanding of the key elements of investment theory and portfolio management.
2. Analyze the risk and return of alternative combinations and portfolios of financial assets.
3. Construct and manage an efficient portfolio.
4. Demonstrate knowledge and understanding of the relationship between systematic risk and return of a security and of a portfolio.

METHOD OF TEACHING AND LEARNING:

In congruence with the learning and teaching strategy of the college, the following tools are used:

- Classes consist of lectures, problem-solving sessions, and interactive class discussions.
- Use of the Simulated Trading Room for illustrating examples.
- Portfolio construction and optimization: Students construct and optimize a stock portfolio. Students develop an investment strategy, screen and review prospective securities, and update the status and performance of existing positions.
- Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.
- Use of Blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.

ASSESSMENT:**Summative:**

1 st assessment: Individual project (1,800–2,000 words)	40 %
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	<table border="1" data-bbox="483 212 1406 279"> <tr> <td data-bbox="483 212 1187 279">Final assessment: In-class written examination (Two-hour, closed book, comprehensive)</td> <td data-bbox="1187 212 1406 279">60 %</td> </tr> </table> <p data-bbox="483 317 634 344">Formative:</p> <table border="1" data-bbox="483 348 1276 384"> <tr> <td data-bbox="483 348 1086 384">Practice exercises, problems</td> <td data-bbox="1086 348 1276 384">0 %</td> </tr> </table> <p data-bbox="483 422 1539 485">The formative assignments prepare students for the examination and ensure that students are actively engaged during the term.</p> <p data-bbox="483 522 1276 585">The 1st assessment tests Learning Outcomes 1, 2 and 3. The final assessment tests Learning Outcomes 1, 2, 3, and 4.</p> <p data-bbox="483 623 1539 785">The final grade for this module will be determined by averaging all summative assessment grades, based on the predetermined weights for each assessment. If students pass the comprehensive assessment that tests all Learning Outcomes for this module and the average grade for the module is 40 or higher, students are not required to resit any failed assessments.</p>	Final assessment: In-class written examination (Two-hour, closed book, comprehensive)	60 %	Practice exercises, problems	0 %
Final assessment: In-class written examination (Two-hour, closed book, comprehensive)	60 %				
Practice exercises, problems	0 %				
INDICATIVE READING:	<p data-bbox="483 821 789 848">REQUIRED READING:</p> <p data-bbox="483 886 1474 949">Elton, E. J., Gruber M. J., Brown S.J., and Goetzmann W., Modern Portfolio Theory and Investment Analysis, John Wiley & Sons, latest edition.</p> <p data-bbox="483 987 1474 1050">Other library sources, including journal articles accessible through the Library, as assigned by the instructor.</p> <p data-bbox="483 1121 870 1148">RECOMMENDED READING:</p> <p data-bbox="483 1186 1474 1249">Bodie, Z.A., Kane, A. and A.J. Marcus, Investments, McGraw-Hill, latest edition.</p> <p data-bbox="483 1287 1474 1388">Baraillsford, T., Heaney, R. and Bilson, C., 2006, Investments: concepts and applications, 3rd Edition, Thomson, South Melbourne, Victoria. (Particularly good on issues specific to Australian markets and on institutional information)</p> <p data-bbox="483 1425 1474 1488">Bogle, J.C. Common Sense on Mutual Funds, 10th Anniversary Edition, John Wiley & Sons, 2010.</p> <p data-bbox="483 1526 1243 1554">Burton, J. Investment Titans, McGraw-Hill Company, 2001.</p> <p data-bbox="483 1591 1474 1654">Campbell, J.Y., Lo, A. and McKinlay, A.C., The Econometrics of Financial Markets, 1997. Princeton University Press</p> <p data-bbox="483 1692 1474 1755">Campbell, J. Y. and Luis M. Viceira, Strategic Asset Allocation, Oxford University Press, 1st edition</p> <p data-bbox="483 1793 1474 1856">Cunningham, L.A. The Essays Of Warren Buffett: Lessons For Corporate America, 2013.</p>				

	<p>Graham, B. <i>The Intelligent Investor: The Definitive Book on Value Investing</i>, Harper Collins Publishers, 2003.</p> <p>Grinold, R.C., Kahn, R.N., <i>Active Portfolio Management: A Quantitative Approach for Producing Superior Returns and Controlling Risk</i>, McGraw-Hill.</p> <p>Kritzman, M., <i>The Portable Financial Analyst – What Practitioners Need to Know</i>, 1995. Probus Publishing, Chicago, Ill.</p> <p>Laopodis, N.T., <i>Understanding Investments: Theories and Strategies</i>, Routledge, latest edition</p> <p>Luenberger, D.G., <i>Investment Science</i>, 1997, Oxford University Press. (Good mathematical treatment of several topics).</p> <p>Malkiel, B.G. <i>A Random Walk Down Wall Street</i>, W.W. Norton & Company, 2007.</p> <p>Sharpe, W.F., Alexander, G.J. and Bailey, J.V., <i>Investments</i>, (2005), 6th Edition, Prentice Hall</p> <p>Weiss, S.L., <i>The Billion Dollar Mistake: Learning the Art of Investing Through the Missteps of Legendary Investors</i>, John Wiley & Sons, 2010.</p> <p>Financial Times (daily)</p> <p>Wall Street Journal (daily)</p> <p>Journal of Financial Analysis (weekly)</p>
<p>INDICATIVE MATERIAL: <i>(e.g. audiovisual, digital material, etc.)</i></p>	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>
<p>COMMUNICATION REQUIREMENTS:</p>	<p>Use of appropriate academic conventions as applicable in oral and written communications.</p>
<p>SOFTWARE REQUIREMENTS:</p>	<p>Excel, Word, PowerPoint, Refinitiv, Bloomberg</p>
<p>WWW RESOURCES:</p>	<p>www.bloomberg.com www.wsj.com www.finance-yahoo.com www.ft.com www.studyfinance.com www.teachmefinance.com</p>

	<p>www.investing.com www.finviz.com www.ase.gr www.adex.gr www.marketrac.nyse.com</p>
INDICATIVE CONTENT:	<ol style="list-style-type: none">1. Financial Markets and the Global Investment Environment2. Mean Variance Analysis3. Efficient Frontier4. Index models5. Utility analysis6. CAPM7. APT