



APPLIES TO ACADEMIC YEAR 2014/2015

GRA 6531 Portfolio Management

Programme

Master of Science in Business, Master of Science in Business (Finance), Master of Science in Financial Economics, Specialization Course

Responsible for the course

Bruno Gerard

Department

Department of Financial Economics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

This course is taught in English

Learning outcome

Theoretical and applied coverage of advanced portfolio management techniques, for equity only portfolios, for fixed income only portfolios and for mixed portfolios. Special consideration for pension, insurance and national fund portfolios.

Prerequisites

Successful completion of GRA 6543 Introduction to Asset Pricing/GRA 6533 Theory of Finance and GRA 6534 Investments or equivalent is required PRIOR to enrolling in this class. All exceptions must be approved in writing BEFORE the start of the course by the course instructor.

Compulsory reading

Books:

Litterman, Bob and the Quantitative Resources Group GSAM. 2003. Modern investment management : an equilibrium approach. Wiley

Other:

Diverse authors. Cases in portfolio management. Course specific case book available from XANEDU.com (NEW selection of cases each year - do not purchase previous year case book)

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Further readings and handouts may be assigned during the course and may be relevant for the final examination

Recommended reading

Books:

Bodie, Zvi, Alex Kane, Alan J. Marcus. 2011. Investments and portfolio management. 9th ed., global ed.. McGraw-Hill/Irwin

Campbell, John Y., Luis M. Viceira. 2002. Strategic asset allocation : portfolio choice for long-term investors. Oxford University Press

Grinold, Richard C., Ronald N. Kahn. 2000. Active portfolio management : a quantitative approach for providing superior returns and controlling risk. 2nd ed. McGraw-Hill

Course outline

The course will cover among others the following topics:

- Review of the Portfolio Management Process
- Investment process - client perspective
- Risk and Return - Historical record Portfolio Optimization and Asset Allocation CAPM, APT and Multifactor Models Applying the CAPM : The Black-Litterman Approach
- Risk Management and VAR Managing Currency Risk and the International Dimension in Investment Management
- Portfolio Performance Evaluation and Manager Assessment

- Efficient markets and Active Management
- Alternative Investments and Hedge Fund Strategies
- Trading and Implementation
- Topics may be added and removed from the course to reflect on current issues and development in the asset management and investment field.
- If possible, guest lectures on equity and fixed income management by professional portfolio managers

Computer-based tools

Excel based projects - Use of DataStream database, It's learning/homepage

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Lectures and Case discussions. Most learning will take place through student discussion of cases or computer assignments related to portfolio management.

Students will be responsible to prepare in groups a case or computer assignment for discussion prior to each class meetings. Each student must be prepared to present the case and to discuss her/his conclusions in the class room

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

The course grade will be based on the following activities and weights:

20% class participation and presentation

30% case write ups and computer exercises (6 altogether, all turned in on paper, returned to the students prior to the end of the course)

10% write up for the last case and last computer assignment of the class (2 together - these last two assignments will be retained by the instructor after the course)

40% three hour written exam

To get a final grade in the course, students need to complete and achieve a passing grade in all parts of the evaluation.

Since the major fraction of the course grade is based on class work and in particular on class participation, case presentations and discussions, **CLASS ATTENDANCE IS MANDATORY**. Absences can result in a lower score. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one for several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 65313 continuous assessment accounts for 100 % of the final grade in the course GRA 6531.

Examination support materials

A bilingual dictionary and BI-approved exam calculator.

Rules relating to examination support materials at written examinations are explained in detail under examination information in the student portal @bi. Please pay particular attention to the rules on the use of a calculator and and dictionary during an exam in the section on support materials.

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes. Where this is not the case, all of the assessed components of the course must be retaken. All retaken examinations will incur an additional fee.

In this course, since there is a single exam code, ALL components of the final evaluation must be retaken in order to get a new grade, including class participation, case write-ups and discussion, computer assignments, and final exam. It is NOT POSSIBLE to retake the final exam only WITHOUT retaking all the other components of the course.

Additional information

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.