



APPLIES TO ACADEMIC YEAR 2015/2016

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

GRA 6534 Investments or equivalent

GRA 6543 Introduction to Asset Pricing or equivalent

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have specific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

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. 2014. Investments. 10th global ed. McGraw-Hill Education

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

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% written examination 3 hours

Form of assessment	Weight	Group size
Class participation	20%	
Case work	30%	
Case work	10%	
Written examination 3 hours	40%	

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded using points on a scale from 0-100. The final grade for the course is based on the aggregated mark of the course components. Each component is weighted as detailed in the course description. Students who fail to participate in one/some/all exam components will get a lower grade or may fail the course. You will find detailed information about the points system and the mapping scale in the student portal @bi.

Examination code(s)

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

Examination support materials

BI approved exam calculator

Bilingual dictionary

Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

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. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

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.