FIN 32323: Investment Analysis and Portfolio Management-II

Level: 3000 **Number of Credits** : 03

Course Description

This course is an extension of investment analysis and portfolio management-I and it provides knowledge on managing bond portfolios and evaluates performance of investment portfolios considering psychological and technical factors affecting investor behavior and investment decisions.

Intended Learning Outcomes

At the end of the course, the student will be able to;

- Calculate bond prices under different bond pricing methods,
- Apply bond portfolio management strategies for a given business scenario,
- Evaluate performance of investment portfolios,
- Analyze the psychological factors affecting investor behavior and investment decisions.

Teaching/Learning Methodology

Lectures, tutorial classes

Methods of Assessment

In-course Assessments	: 30%
End Semester Examination	: 70%

Course Contents

1. Overview of investment analysis and portfolio management
2. Bond prices and yields
   Bond characteristics, bond pricing, valuation of bonds, bond yields, default risk,
3. Managing bond portfolios
   Interest rate risk, bond portfolio management strategies, passive bond management and active bond management
4. Behavioral finance and technical analysis
   Behavioral critique, behavioral biases, trends and corrections, sentiment indicators
5. Evaluation of portfolio performance
   Measuring investment return, convention theory of PE, portfolio measurement with changing portfolio composition, risk adjusted performance, style analysis performance market timing, and performance attribution procedures
6. Professional asset management
7. Investment in a global market

Recommended Readings

1. Bodie, Kane and Marcus (2016), “Essentials of Investments”, Seventh edition, Irwin/McGraw-Hill.
2. Elton and Gruber (2014), “Modern portfolio theory and investment analysis”, Seventh edition, John Wiley& Sons, Inc.