GHENT UNIVERSITY

Course Specifications

Valid in the academic year 2023-2024

Investment Analysis and Portfolio Management (F710403)

Course size *(nominal values; actual values may depend on programme)*

Credits 5.0 **Study time 150 h**

Course offerings and teaching methods in academic year 2023-2024

A (semester 1)	English	Gent	lecture
			group work
			independent work
			seminar

Lecturers in academic year 2023-2024

Inghelbrecht, Koen	EB21	lecturer-in-charge

Offered in the following programmes in 2023-2024	**crdts**	**offering**
Master of Science in Teaching in Economics(main subject Business Administration)	5	A
Master of Science in Business Administration(main subject Finance and Risk Management)	5	A
Exchange programme in Economics and Business Administration	5	A

Teaching languages

English

Keywords

Return, risk, diversification, portfolio theory, asset pricing, efficient markets, valuation of financial products, portfolio management, portfolio evaluation, sustainable investing

Position of the course

The aim of this course is first to enable students to understand the characteristics of the most frequently used investment products, second to explain them how to invest in those products directly and indirectly, third to learn them how to manage those products in a portfolio and finally to explain them how to evaluate investment
portfolios. The emphasis is on equities and equity portfolios, but also bonds and derivative securities are discussed.
Video lectures are designed to let students to get used to analyzing stock and bond market data, and constructing and evaluating optimal portfolios.

Contents

Theory:
1. General concepts and the investment process
2. Investing direct and indirect
3. Return and risk, and portfolio theory
4. Efficient diversification
5. CAPM and multifactor models
6. Market efficiency and behavioral finance
7. Equity valuation
8. Bond valuation and bond portfolio management
9. Portfolio performance evaluation
10. Guest lecture sustainable investing

Important concepts which are discussed numerous times throughout the course are:
risk-return trade off, diversification (risk reduction) and efficient markets.

Practice:
- Analysis of stock market data
- Exercises on portfolio management and optimization
- Group assignment (compose and evaluate optimal portfolios)

Initial competences

A knowledge of the range of financial products (stocks, bonds, ...) is required. In addition, a basic knowledge of the structure and functioning of financial markets and a basic statistics knowledge is required.

Final competences

1 Knowledge and understanding of the principles of investment theory and portfolio management.
2 Assess the content of this course in relation to events in the news.
3 Interpret and recognize the practical usefulness of the results in the academic literature on asset pricing, valuation of financial products, portfolio management and evaluation.
4 Apply basic techniques of data analysis and portfolio management to financial data.
5 Analyze and evaluate the performance and risk of financial products.
6 Design and evaluate optimal portfolios in teams.
7 Write a scientifically sound report based on an implemented analysis.

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Group work, Seminar, Lecture, Independent work

Extra information on the teaching methods

Online werkcollege: PC-klasoefeningen consist of online video lectures on how to use Microsoft Excel to analyze stock and bond market data and to construct and optimize investment portfolios.
Begeleide zelfstudie consists of solving exercises and answering multiple choice questions in an independent way using an online platform. Solutions and additional comments are given on the platform.

Learning materials and price

Textbook: Bodie, Kane and Marcus (2021). Essentials of Investments. McGraw-Hill.
Supplemented by slides, exercises, financial applications and articles from the literature: made available on electronic learning environment.
Price textbook: About 70 euro.

References

Textbooks that further support this course:
- Bodie, Kane, Marcus (2018). Investments. McGraw-Hill.
- Jones (2010). Investments: Principles and Concepts. John Wiley & Sons.
- Reilly and Brown (2015). Analysis of Investments and Management of Portfolios. South-Western Cengage Learning.
- Elton, Gruber, Brown and Goetzmann (2014). Modern Portfolio Theory and Investment Analysis. John Wiley & Sons.
- Cuthbertson and Nitzsche (2004). Quantitative Financial Economics. John Wiley & Sons.

Course content-related study coaching

The major part of the course is supported by examples, slides and additional exercises. All information is made available on electronic learning environment. There is guidance for the group assignments. The student can ask question to and discuss problems with the teacher right before, during or after the lectures.

Assessment moments

end-of-term and continuous assessment

Examination methods in case of periodic assessment during the first examination period

Written assessment with multiple-choice questions, Written assessment with open-ended questions

Examination methods in case of periodic assessment during the second examination period

Written assessment with multiple-choice questions, Written assessment with open-ended questions

Examination methods in case of permanent assessment

Peer and/or self assessment, Assignment

Possibilities of retake in case of permanent assessment

examination during the second examination period is not possible

Extra information on the examination methods

Written exam (70%) and assignment (30%).
The written exam consists of 4 open questions, 3 propositions and 20 multiple choice questions. Both types contain theoretical and practical questions.
The group assignment is evaluated by the lecturer and by fellow students using a peer evaluation.
Second term: Written exam. The points for the permanent evaluation can be transferred to the resit exam period.

Calculation of the examination mark

The final course grade is a weighted average of the end-of-term evaluation (70%) and the permanent evaluation (30%). To pass the course, the student needs to at least pass the end- of-term evaluation. If the student does not have a passing grade for the end-of-term evaluation but does have a weighted average course grade of 10/20 (or more), the final course grade will be reduced to 9/20, the highest non-passing grade.