

BU7302

Investment & Portfolio Management



Course Aim This course will extend students' financial knowledge of the creation, management, and evaluation of a diversified investment portfolio

Short Title	Investment	Version	1
Faculty	Business	Effective From	September, 2016
Polytechnic Level		Indicative NQF Level	7
Credits	15	Student Contact hrs	60
Pre-requisites	BU7300 or BSB6300	Self-directed hrs	90
Co-requisites		Other directed hrs	
Anti-requisites	BSB6302	Total learning hrs	150

Learning Outcomes On successful completion of this course, students will be able to:

- 1 Apply the investment process
- 2 Create and Manage a diversified portfolio
- 3 Measure Risk & Return of a portfolio
- 4 Demonstrate appropriate use of workplace skills and technology

NQF Sub-strand

Practical
Application of knowledge
Generic, Problem Solving and Analytical Skills
Theoretical Understanding
Communication, ICT, Numeracy

Topics / Content **Knowing:**

Measures of risk: beta, systematic risk, company specific risk, variance, covariance, standard deviation, correlation coefficient; Measures of return: holding period return, arithmetic return, geometric return, money-weighted return, leveraged return, real return, required rate of return.

Measures of portfolio performance: Jensen's Alpha, M squared, Sharpe ratio, Traynor measure

Fundamental Analysis: P/E, Forward P/E, PEG, P/S, P/B, P/C, P/FCF, Quick Ratio, Current Ratio, Debt/Equity, LT Debt/Equity, EPS; Pricing models: Capital Asset Pricing Model and the Security Market Line, Capital Allocation Line, Capital Market Line. Investor types and characteristics: defined benefit pension plans, endowments and foundations, banks, insurance companies, investment companies, sovereign wealth funds; Investment philosophy: efficient market hypothesis, active fund management, Markowitz portfolio theory; Bond valuation: Present value approach, Relative Price Approach, Arbitrage-free pricing approach, yield to maturity; Top down analysis: understanding the influence of interest rates, exchange rates, GDP, and other macroeconomic variables on stock prices; Behavioural finance theory: prospect theory, framing, bubbles, technical analysis; Arbitrage Pricing Theory

Doing:

Creating a portfolio: planning step, execution step, feedback step; Selecting stock based on fundamental analysis, technical analysis, and on its fit within the portfolio; Evaluating portfolio performance using Jensen's Alpha, M squared, Sharpe ratio, Traynor measure; Calculating key stock and portfolio characteristics; Top down, bottom up analysis; Using leverage to increase return

Being:

Project Work; Time Management; Organization and Planning; Communication and Presentation skills; Technical Report Writing. Professional practice in terms of creating effective portfolio's.

Learning and Teaching Strategies The overriding teaching philosophy is based on a student-centred approach and developing learner autonomy. Integral to this is the Problem-Based Learning (PBL) approach utilising the '7-step' PBL process, through which students are introduced, at various stages of the course, to contextualized, ill-structured and authentic problems before working to find meaningful solutions. To support the PBL approach, understanding of content, concepts and issues is further developed through classes, seminars and tutorials, set readings and texts, e-learning, online resources and other multimedia resources. Other learning and teaching strategies in this course may include, but will not be limited to: Individual study / Pair work / Group work to encourage team work / Discussions / e-Portfolio development / Presentations to develop confidence (including multimedia presentations) / Note-taking / Research tasks / Online support / Problem solving activities to develop critical thinking skills / The use of computer-based tools / Case Studies / Lectures/ Etc.

Completion Requirements Minimum 60% aggregated over all assessment items.

Assessment	Assessment Task Description	Weight (%)	Must Pass (Y/N)	Learning Outcomes Assessed	Form of Assessment Task
Assessment Method	Mid Semester Exam: 40% of the grade comes from multiple choice questions. The remainder comes from a short answer and essay type questions which test the students understanding of variables they manipulating mathematically.	20	N	1,2,3	Examination (unseen)
	Final Exam: This exam uses essay type questions to assess knowledge and understanding of the topic.	35	N	1,2,3	Examination (unseen)
	Group Project: requires students to put together a portfolio including a variety of assets which they must research, select, and then present.	30	N	1,2,3,4	Performance project
	The viva tests the students understanding of the portfolio. Each student will be asked to explain and justify random parts of the portfolio. This also ensures that all students worked equally on the project, as students who did not contribute will be at a great disadvantage in this assessment.	15	N	1,2,3,4	Viva voce examination
Achievement					

Forms of Assessment Task

The pages opened by the hyperlinks below introduce various different forms of assessment which are currently available. They do not purport to offer comprehensive accounts of any of them, but try to offer some guidance to select appropriate instruments.

Description: a brief description of the method

Indications: when to use it

Contra-indications: when not to use it

Special precautions: things to be aware of

Notes: anything else which has not been mentioned under another heading

Click on an Assessment Form below which will take you to a website for details

Examination (unseen)
Examination (seen/open book)
Oral questioning after observation
Multiple-choice test
Presentation
Performance project

Case-study
Direct observation
Essay
Portfolio
Reflection
Project

Practical project
Short-answer question
Problem sheet
Viva voce examination
Self-assessment
Simulation

Acknowledgement:

Atherton J S (2013) Learning and Teaching; Forms of Assessment [On-line: UK] retrieved 17 September 2015 from http://www.learningandteaching.info/teaching/assess_form.htm

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Read more: Forms of Assessment http://www.learningandteaching.info/teaching/assess_form.htm#ixzz3lyTVTd8S