



QURTUBA UNIVERSITY

Of Science and Information Technology

D.I Khan, Peshawar Khyber Pakhtunkhwa, Pakistan.

Course Name	Investment Analysis & Portfolio Management
Course Code	FIN401
Semester	8th
Credit Hours	03
Total Weeks	16/18
Total Hours	48/54
Total Marks	100
Pre-requisite	None

Course Objectives:

- The objective of the course is to study theory and empirical evidence relevant for portfolio management.
- An emphasis is placed on understanding how an investment professional would allocate funds in a hypothetical portfolio.
- Major topics include estimation of capital market parameters, trade-off between risk and return, optimal portfolio selection, equilibrium asset pricing models, and delegated portfolio management.
- Emphasis will be put on development of techniques that should be part of the tool kit of those interested in becoming professional investors and/or researchers in finance. The course material is tilted heavily towards equity markets.

Grading Criteria

Distribution	Weight
Quizzes, Assignments, and class participation	10
Mid Term	20
Final Term	70
Total	100

Textbooks:

- **“Portfolio Management” by S. Kevin, 2nd edition**

Reference books:

- **“Investments Analysis and Management” by Charles P. Jones 12th edition**

- “**Investment Analysis and Portfolio Management**” by Frank K. Reilly and Keith C. Brown (8th or latter edition)
- “**Investments**” by BodieZvi, Kane Alex, and Marcus Alan, 10th edition

Week	Description
1	<p>Introduction to portfolio management</p> <ul style="list-style-type: none"> ▶ What is portfolio management ▶ Phases of portfolio management ▶ Role of management
2	<p>Investment</p> <ul style="list-style-type: none"> ▶ Meaning of investment ▶ Financial and economic meaning of investment ▶ Characteristics of investment ▶ Objectives of investment ▶ Investment vs Speculation ▶ Investment vs Gambling ▶ Types of investors
3	<p>Setting investment in a Global Market</p> <ul style="list-style-type: none"> ▶ The case for global investments ▶ Global Investment Choices <ul style="list-style-type: none"> ▶ Fixed-Income Investments ▶ Equity Investments ▶ Special Equity Instruments <ul style="list-style-type: none"> ▶ Options ▶ Futures Contracts
4	<p>Organization and Functioning of Securities Markets</p> <ul style="list-style-type: none"> ▶ What is Market? ▶ Types of Markets <ul style="list-style-type: none"> ▶ Money Vs Capital Markets ▶ Primary Vs Capital Markets ▶ Debt Vs Equity Markets ▶ Regional exchanges and the over-the-counter market ▶ Detailed Analysis of Exchange Markets ▶ How Securities are traded ▶ Types of Orders <p>Changes in the Securities Markets</p>
5	<p>Risk</p> <ul style="list-style-type: none"> ▶ Meaning of risk ▶ Elements of risk ▶ Systematic risk

	<ul style="list-style-type: none"> ▶ Unsystematic risk ▶ Measurement of Risk ▶ Measurement of systematic risk
6	<p>Fundamental analysis: Economy Analysis</p> <ul style="list-style-type: none"> ▶ Meaning of Fundamental analysis ▶ Economic forecasting ▶ Forecasting techniques
7	<p>Industry and company analysis</p> <ul style="list-style-type: none"> ▶ Industry analysis ▶ Company analysis
8	<p>Share valuation</p> <ul style="list-style-type: none"> ▶ Concept of present value ▶ Share valuation model ▶ Constant growth model ▶ Multiple growth model ▶ Discount rate ▶ Multiplier approach to share valuation ▶ Regression analysis
9	<p>Bond valuation</p> <ul style="list-style-type: none"> ▶ Bond returns ▶ Bond prices ▶ Bond pricing theorems ▶ Bond risks ▶ Bond duration
10	<p>Technical analysis</p> <ul style="list-style-type: none"> ▶ Meaning of technical analysis ▶ Bullish trend ▶ Bearish trend ▶ Basic principles of technical analysis ▶ Trends and trend reversals ▶ Chart patterns ▶ Elliot wave theory ▶ Mathematical indicators ▶ Market indicators
11	<p>Efficient Market Theory</p> <ul style="list-style-type: none"> ▶ Random walk theory ▶ The efficient market hypothesis ▶ Forms of market efficiency

12	<p>Portfolio analysis</p> <ul style="list-style-type: none"> ▶ Expected return of a portfolio ▶ Risk of a portfolio ▶ Reduction of portfolio risk through diversification ▶ Portfolios with more than two securities ▶ Risk-Return calculations of portfolios with more than two securities
13	<p>Portfolio selection</p> <ul style="list-style-type: none"> ▶ Feasible set of portfolios ▶ Selection of optimal portfolio ▶ Limitations of Markowitz model ▶ Single index model ▶ Multi-index model
14	<p>Capital Asset Pricing Model (CAPM)</p> <ul style="list-style-type: none"> ▶ Fundamental notions of portfolio theory ▶ Assumptions of CAPM ▶ Efficient frontier with riskless lending and borrowing ▶ The capital market line ▶ The security market line
15	<p>Portfolio Revision</p> <ul style="list-style-type: none"> ▶ Need for revision ▶ Meaning of portfolio revision ▶ Constraints in portfolio revision ▶ Portfolio revision strategies ▶ Formula Plans
16	<p>Portfolio Evaluation</p> <ul style="list-style-type: none"> ▶ Need for evaluation ▶ Evaluation perspective ▶ Meaning of portfolio evaluation ▶ Differential return ▶ Decomposition of performance

Learning Outcomes:

- Have an understanding of the nature of an investment, the characteristics of financial assets and the investment environment
- Be able to describe the investment management process and understand the role of objectives and strategy in the portfolio construction process
- Be familiar with the concepts of modern portfolio theory and have an intuitive understanding of asset pricing models
- Have an understanding of the influence of macroeconomic and microeconomic factors on securities markets and the pricing of financial assets

- Be able to display competence in the use of various methods of fundamental analysis to value shares
- Understand various approaches used in portfolio management
- Understand the issues associated with the evaluation of portfolio performance and apply various performance evaluation techniques.