

Investment Analysis and Portfolio Management

Module Code: DLMBCFIE2

Module Type see curriculum	Admission Requirements none	Study Level MA	CP 5	Student Workload 150 h
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Semester / Term see curriculum	Duration Minimum 1 semester	Regularly offered in WiSe/SoSe	Language of Instruction and Examination English
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Module Coordinator

Prof. Dr. Andreas Simon (Investment Analysis & Portfolio Management)

Contributing Courses to Module

- Investment Analysis & Portfolio Management (DLMBCFIE02)

Module Exam Type

Module Exam

Study Format: Distance Learning
Exam, 90 Minutes

Split Exam

Weight of Module

see curriculum

Module Contents

- Introduction to investment analysis and portfolio management
- Portfolio selection and the optimum portfolio
- The equilibrium in capital markets and asset pricing models
- Analysis and management of securities
- Evaluation of the investment performance

Learning Outcomes**Investment Analysis & Portfolio Management**

On successful completion, students will be able to

- describe the theoretical constructs of investments and portfolio analysis.
- apply the modern portfolio theory and the theory of capital markets to practical questions of investment decisions.
- discuss the conflicting priorities between the normative theoretical approach of portfolio selection and equilibrium asset pricing on the one hand, and the practical application of investment decisions such as stock picking and technical analysis on the other hand.
- utilize various tools for researching and analyzing investment vehicles used in the context of asset pricing and asset allocation decisions.
- identify main features and practices of the global investment advisory industry.
- describe warrants and convertibles, options and futures and discuss the application of these vehicles in a portfolio investment context.

Links to other Modules within the Study Program

This module is similar to other modules in the field of Finance & Tax Accounting

Links to other Study Programs of the University

All Master Programmes in the Business & Management field

Investment Analysis & Portfolio Management

Course Code: DLMBCFIE02

Study Level	Language of Instruction and Examination	Contact Hours	CP	Admission Requirements
MA	English		5	none

Course Description

Security analysis, asset allocation strategies, and the optimal composition of portfolios of financial assets are some of the most important fields of advanced financial management. This course is designed to bring together investment analysis and portfolio theory and their implementation with regard to portfolio management. Topics to be covered are the theory of portfolio selection and the theory's application, the hypotheses of efficient capital markets and the capital market equilibrium, analysis of investments and the evaluation of portfolios (or mutual funds) of common stocks, bonds, international assets, and other asset classes. Students will be directed through a broad and critical evaluation of the various investment strategies for maximizing returns and minimizing risk on portfolios. Investment analysis and portfolio management is a truly global topic. As a consequence, the course will take an international perspective, provide an insight into the global investment advisory industry, and discuss best-practice approaches around the globe.

Course Outcomes

On successful completion, students will be able to

- describe the theoretical constructs of investments and portfolio analysis.
- apply the modern portfolio theory and the theory of capital markets to practical questions of investment decisions.
- discuss the conflicting priorities between the normative theoretical approach of portfolio selection and equilibrium asset pricing on the one hand, and the practical application of investment decisions such as stock picking and technical analysis on the other hand.
- utilize various tools for researching and analyzing investment vehicles used in the context of asset pricing and asset allocation decisions.
- identify main features and practices of the global investment advisory industry.
- describe warrants and convertibles, options and futures and discuss the application of these vehicles in a portfolio investment context.

Contents

1. Introduction to Investment Analysis and Portfolio Management
 - 1.1 The Asset Management and Investment Advisory Industry
 - 1.2 Financial Instruments, Derivatives, and Organization of Securities Markets
 - 1.3 The History of Investment Analysis

2. Portfolio Selection and the Optimum Portfolio
 - 2.1 Mean Variance Portfolio Theory
 - 2.2 The Calculation of Risk and Return
 - 2.3 Efficient Portfolios and Techniques for Calculating the Efficient Frontier
 - 2.4 Single-Index Models and Multi-Index Models
 - 2.5 International Diversification
3. Equilibrium in Capital Markets and Asset Pricing Models
 - 3.1 Equilibrium in Capital Markets and the Standard Capital Asset Pricing Model
 - 3.2 Empirical Tests of Equilibrium Models
 - 3.3 Extensions to the Single-Factor Capital Asset Pricing Model
 - 3.4 Multifactor Asset Pricing Models: Arbitrage Pricing Theory and the Fama-French Model
4. Analysis of Securities
 - 4.1 Macro- and Microanalyses of Industries and Companies
 - 4.2 Stock Valuation, Intrinsic Value and Market Value Determinants, and Valuation Techniques
 - 4.3 The Analysis and Valuation of Bonds
 - 4.4 Technical Analysis and Behavioral Finance
5. Management of Securities
 - 5.1 The Efficient Market Hypothesis
 - 5.2 Stock and Bond Portfolio Management Strategies Using Active vs Passive Strategies
 - 5.3 Asset Allocation Strategies
6. Investment Vehicles
 - 6.1 Mutual Funds: Types, Industry, and Participants
 - 6.2 Hedge Funds
 - 6.3 Private Equity Funds
7. Evaluation of Investment Performance
 - 7.1 Globalization and International Investing
 - 7.2 Investment Process
 - 7.3 Evaluation of Portfolio Performance Using the Sharpe Ratio, Jensen Measure, Treynor Measure, and Other Measures
 - 7.4 Evaluation of Security Analysis

Literature**Compulsory Reading****Further Reading**

- Bodie, Z., Kane, A., & Marcus, A. J. (2017). Essentials of investments (10th ed.). New York, NY: McGraw-Hill Education.
- Fabozzi, F. J., & Modigliani, F. (2009). Capital markets: Institutions and instruments (4th ed.). Upper Saddle River, NJ: Prentice Hall.
- Reilly, F. K., & Brown, K. C. (2012). Investment analysis and portfolio management (10th ed.). Boston, MA: Cengage Learning.
- Smart, S., Gitman, L. J., & Joehnk, M. D. (2017). Fundamentals of investing (13th ed.). Upper Saddle River, NJ: Pearson. (Database: EBSCO).

Study Format Distance Learning

Study Format Distance Learning	Course Type Online Lecture
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Information about the examination	
Examination Admission Requirements	BOLK: yes Course Evaluation: no
Type of Exam	Exam, 90 Minutes

Student Workload					
Self Study	Contact Hours	Tutorial	Self Test	Independent Study	Hours Total
90 h	0 h	30 h	30 h	0 h	150 h

Instructional Methods	
<input type="checkbox"/> Learning Sprints® <input checked="" type="checkbox"/> Course Book <input type="checkbox"/> Vodcast <input checked="" type="checkbox"/> Shortcast <input checked="" type="checkbox"/> Audio <input checked="" type="checkbox"/> Exam Template	<input type="checkbox"/> Review Book <input type="checkbox"/> Creative Lab <input type="checkbox"/> Guideline <input type="checkbox"/> Live Tutorium/Course Feed <input type="checkbox"/> Reader <input checked="" type="checkbox"/> Slides