



THE CYPRUS INTERNATIONAL INSTITUTE OF MANAGEMENT
COURSE UNIT DESCRIPTION

Course Unit Title	Investment & Portfolio Management	
Course Unit Code	FB540	
Type of Unit	Core	
Level of Course Unit	Second cycle	
Year of Study	First / second year	
Semester	On demand	
Number of ECTS Credits	6.0 ECTS	
Class Contact Hours	28	
Minimum Learning Effort (In Hours)	112	
Course Unit Objectives	<p>The objective of this course is to provide a thorough understanding of the field of investment and portfolio management. The course starts with an introduction to the investment environment and the types of financial instruments. We will then continue with a look at fixed-income securities - bond pricing, yield measures, duration/convexity, and bond investment strategies. We will move on to modern portfolio theory with a discussion of risk and return, the investors' risk preferences, asset allocation, as well as portfolio optimization. The portfolio selection problem will then be solved with real data using Microsoft Excel. After our treatment of modern portfolio theory, we will investigate the implications of that theory for the equilibrium structure of expected rates of return on risky assets (CAPM, index models, as well as multifactor models). If time permits, we will end the course with a focus on stock valuation.</p>	
Learning Outcomes	The students completing the course should be able to	
	CILO 1	Recognise the investment environment and various financial instruments
	CILO 2	Recognise the structure and mechanics of the fixed-income markets
	CILO 3	Recognise the notion of risk and return
	CILO 4	Know modern portfolio theory and how to optimize portfolios
	CILO 5	Know the principals of stock valuation (if time permits)
Name of Lecturer(s)	Professor Gady Jacoby	
Mode of delivery	Face to Face	
Prerequisites or co-requisites	Corporate Finance	
Course Content	<p>This is a preliminary course outline of the topics covered.</p> <p>Course Description and Introduction to the Investment Environment</p> <p>Fixed-Income Securities</p> <p>Risk, Return, and the Opportunity Cost of Capital, Portfolio Theory, and Asset Pricing Models (CAPM, index models, and multifactor models)</p> <p>Solution of the Portfolio Selection Problem with Excel</p> <p>Active Portfolio Management.</p> <p>Stock Valuation</p>	

Recommended or required reading	<ol style="list-style-type: none"> 1. Class notes - Students are required to bring a copy of my notes to class. It will be impossible to follow the lecture without these notes. The notes are available on Moodle. Note: to avoid a situation where you don't have the correct copy of the notes for class, I suggest that you download material corresponding to the tentative outline below in advance, and bring it with you to class. 2. For the lab students are required to bring a laptop computer ready with Microsoft Excel. 3. A recommended (optional) textbook for the course is "<i>Investments</i>", by Bodie, Kane, and Marcus, 10th edition, McGraw-Hill, 2013. This is an excellent book in the investment area and is the standard for graduate level/MBA courses. It contains a nice and detailed discussion of all the topics that we will be covering in class, with numerous examples, illustrations, and end-of-chapter problems and questions. I should note however that it should be used as background material, and it does not imply that we will follow it very closely.
In-class computer lab	<p>This course will incorporate an in-class computer lab sessions. This session is designed to implement the portfolio selection model on real data using Excel. Attendance during the lab session is mandatory. Failing to attend the lab will result in zero credits for the Class Participation and Professionalism component. Students are required to bring a laptop computer ready with Microsoft Excel to the lab session. Students failing to bring a laptop computer (ready with Microsoft Excel) to the lab will be considered absent from this lab.</p>
Planned learning activities and teaching methods	<p>Lectures, lab session, in-class discussion, a take home term project</p>
Assessment methods and criteria	<p>A term project will be handed out after the portfolio selection lab session. The project must be completed in groups of four students (formed at the start of the course). The project is due on May 22, 2017. All projects must be typed. Hand written projects will not be accepted under any circumstances.</p> <p>There will be an in-class final exam on May 8, 2017. The exam will be a mixture of multiple-choice and long-answer questions. I will provide you with a sample exam at the end of the course. You can also use your (financial) calculator.</p> <p>A portion of the grade will be allocated to class participation and professionalism (which implies that I expect ALL of you to attend class, be there on time, and be prepared).</p> <p>The weights of different activities in your grade computation is as follows: 50%: Final Exam 40%: Term Project 10%: Class Participation & Professionalism</p>
Language of Instruction	<p>English</p>
Work Placement(s)	<p>Not applicable</p>