



Victoria University
of Bangladesh

Course Outline

Summer – 2020

BBA Program

Course Title: Portfolio Management

Course Code: FIN- 438

Name of the Faculty: Md. Edrich Molla Jewel,

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Basic Text:

1. Security Analysis and Portfolio Management – By Kevin, S
2. Investment Analysis and Portfolio Management – By Reilly, F.K. and Brown, K.C.

Reference Books:

1. Investment-Analysis and Management – By Jones, C.P.
2. Modern Investment Theory – By Haugen, R.A.

Course objective: It is well known that security analysis and portfolio management is a pivotal part of economic decision making process. The course is designed with a view to providing a well understanding of the field of investments in securities, making sound investment decisions and recognizing where investment problems and controversies arises and knowing how to solve them. At the end of this course, the participants will have learned the basis of portfolio theory, construction of portfolio from the relationship of portfolio characteristics to the security characteristics to the method of computing sets of portfolios that investors will find desirable.

Assessment: The grade awarded for this course shall be determined on the following basis:

Item of assignment	Weighting
• Worksheet (including class attendance class test)	25
• Assignments and Presentation	10
• Mid-term Exam	25
• Final Exam	40
Total	100%

Prepared by: MD. EDRICH MOLLA JEWEL,

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Course Outline (tentative):

Week	Details Topics
Mid-Term Examination	
1	Introduction: Meaning, Concept and Objectives of Investment, Investment Vs. Speculation and Manipulation, Investment and Portfolio Management Process.
2	Securities Markets: Meaning and Concept of Securities Markets, Markets Segmentation, Instruments, Trading Systems, Orders and their Operations, Margin and Short Sales.
3	Statistical Concepts: Concepts Regarding Investments and Portfolios: Simple and Joint Probability Distribution, Population Expected Value and Variance, Sample mean and Variance.
4	Risk & Return of Investment and Portfolio: Methods of Measuring Risk and Return, Characteristic Line, Case of Positive and Negative Correlation, Borrowing and Lending at Risk-free Rate.
Class Test & Assignment -1	
5	Valuation of Fixed Income Securities: Returns from fixed income securities, Term structure of interest rate, Concept of Valuation, Valuation of Fixed income securities, Valuation Techniques, Valuation Models.
6	Valuation of Stock: Concepts of shares, Components of returns from stock, Factors determining the price of stock, Stock Price movements, Valuation Techniques, Models of Share Valuation.
Final Examination	
7	Efficient Capital Market and Hypotheses: Concept of Efficient Markets, Forms of Efficient Market, Random Walk Theory, Efficient Market Hypotheses (EMH), Evidence and Tests of Efficient Market Hypotheses. Portfolio Variance.
8	Selection of Portfolios and Efficient Portfolios: Fundamental Notation of Portfolio Theory, Markowitz Portfolio Selection Model, Separation Theorem, Portfolio Variance, Minimum Variance Set, Optimal Portfolio, Efficient Frontier, Combination Line, Critical Line.
9	Single Index Model: Concept and Assumptions of Single Index Model (SIM), Security and Portfolio Return and Risk Under SIM.
10	Asset Pricing Model: Market Model and Market Model Residual, Capital Asset Pricing Model (CAPM), Capital Market line, Security Market Line, Arbitrage Pricing Theory.
Class Test & Assignment -2 and Viva	
11	Bond Portfolio Management: Estimating the Expected Return of a Bond for Portfolio Analysis, Bond Fundamentals, Alternative Bond Portfolio Strategies, Implications of Capital Market Theory and the EMH on the Bond Portfolio Management.
12	Measuring Portfolio Performance: Measuring the Rate of Return to a portfolio, Risk-adjusted Performance Measures, Share Ratio, Treynor Ratio, Jensen Ratio, Decomposition of Performance.

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