Subject Code : P8COE6

EC III PORTFOLIO MANAGEMENT

Unit 1. Investment:

Concept and goals – Types of investment – Financial – Real business – Personal – Institutional – Comparison of investments, speculation, gambling – Hedging – Concepts of portfolio and portfolio management – Goals – Risk and return trade off – Financial investment avenues – Fixed income – varying income securities.

Unit 2. Investments Analysis:

Aspects of analysis – Return analysis – Concepts, measures and computation of return of individual security and portfolio – Valuation analysis – share valuation- Bond value – price earning analysis.

Unit 3. Approaches to Investment Analysis:

Fundamental analysis – Concept and components – Tools of economy, industry and company analysis – Technical analysis –Concept and tools – Assumption - Theories – Dow theory – Contrary opinion – The confidence index, breadth of market and strength analysis – Moving average analysis – Chart patterns

Unit 4. Portfolio Construction and Choice:

Mark pouts diversification – Efficient frontier – Risk – return indifferent curves – Portfolio choice – Single and two factorial models – Lagrange multiplier method.

Unit 5. Capital Asset Pricing Model:

Assumptions and application – capital market line and security market line – Efficient market hypotheses – The weakly efficient, semi strongly efficient and strongly efficient market forms – Random – Walk theory.

Portfolio Performance: Measures – Sharpe, Treynor and Jenson Portfolio audit and portfolio revision – Need and methods – Formula plans.

REFERENCES;

1. Francis J.C, Investment
2. Francis J.C., Management of Investments.