



THE CYPRUS INTERNATIONAL INSTITUTE OF MANAGEMENT
COURSE UNIT DESCRIPTION

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| 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, the types of financial instruments, as well as in-depth discussion on mutual funds and other investment companies. We will then move on to modern portfolio theory with a discussion of risk and return, the investors' risk preferences, asset allocation, as well as portfolio optimization. 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 APT and multifactor models). In the context, we will examine the efficient market hypothesis (its rationale as well as its behavioural critique). We will continue with a look at fixed-income securities – bond pricing, yield measures, duration/convexity, as well as term structure relationships. We end the course with a focus on active portfolio management.</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 notion of risk and return |
| | CILO 3 | Know modern portfolio theory and how to optimize portfolios |
| | CILO 4 | Recognise the efficient market hypothesis |
| | CILO 5 | Recognise the structure and mechanics of the fixed-income markets |
| | CILO 6 | Know active portfolio management and evaluation |
| Name of Lecturer(s) | Dr. George Theocharides | |
| 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> <ul style="list-style-type: none"> • Course Description and Introduction to the Investment Environment | |

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| | <ul style="list-style-type: none"> • Risk, Return, and the Opportunity Cost of Capital, Portfolio Theory, and Asset Pricing Models (CAPM, APT, index models, and multifactor models) • Market Efficiency • Fixed-Income Securities • Active Portfolio Management. • Case Presentations |
| <p>Recommended or required reading</p> | <p>Lecture notes will be posted on Moodle.</p> <p>A recommended (optional) textbook for the course is “<i>Investments</i>”, by Bodie, Kane, and Marcus, 11th edition, McGraw-Hill, 2018.</p> <p>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.</p> <p>Some other suggested textbooks are the following:</p> <p>“<i>Investments: An Introduction</i>”, by Herbert B. Mayo, 12th edition, Thomson South-Western, 2016.</p> <p>“<i>Investment Analysis and Portfolio Management</i>”, by Reilly and Brown, 10th edition, Cengage Learning, 2012.</p> <p>“<i>Global Investments</i>”, by Solnic and McLeavey, 6th edition, Pearson Education, Inc. 2008.</p> <p>You will also receive a course package at the beginning of the course that will include the suggested readings which I encourage you to read for a better understanding of the relevant topics.</p> <p>I also encourage you to read daily the <i>Wall Street Journal/Financial Times</i> or some other financial newspaper. You should make this a habit. It will definitely help your understanding of a lot of the issues that we will be discussing in class.</p> |
| <p>Planned learning activities and teaching methods</p> | <p>Lectures, in-class assignments, in-class debates and discussion</p> |
| <p>Assessment methods and criteria</p> | <p>You will form groups of four at the beginning of the course, and you will be expected to work on any assignments within your team.</p> <p>Each group is expected to provide a 15-20 minute presentation on a case assigned on the last lecture. We will then spend some time in class discussing your presentations, and any other issues related to the case. You will be evaluated based on both the quality of your analysis (identify the important issues, perform a careful and detailed analysis, develop recommendations if applicable) as well as the quality of your presentation. To help you with the presentation, every group should</p> |

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| | <p>consult with me to discuss the plan of your presentation. You are also encouraged to participate in the discussion of the case after the presentation.</p> <p>There will be an in-class final exam (after the end of the course). The exam will be a mixture of multiple-choice and short-answer questions. I will provide you with a sample exam at the end of the course, and other related materials that will help you prepare for it. You can also use your calculator.</p> <p>I will allocate a small percentage of your total score for class participation and professionalism (implies that I expect ALL of you to attend class, be there on time, and be prepared)</p> <p>To summarize, the importance of different activities for your grade is as follows:</p> <p>60%: Final Exam/Individual Assignment 30%: Case Presentation 10%: Class Participation & Professionalism</p> |
| Language of Instruction | English |
| Work Placement(s) | Not applicable |