

**Course Profile**  
**Department of Management / Management Program**

Course Number : <b>MAN412</b>	Course Title : <b>Portfolio Management</b>
Required / Elective : <b>Elective</b>	Pre / Co-requisites : None
Catalog Description: Subtle balance between risk and the return associated with the investment; analysis tools for investment decision making.	Textbook / Required Material : Bodie, Zvi, Alex Kane and Alan J. Marcus, Essentials of Investments, McGraw Hill International Edition, 7 <sup>th</sup> Edition, 2008
Course Structure / Schedule : <b>(3+0+0) 3 / 6 ECTS</b>	
Extended Description : The purpose of this course is to develop the quantitative and qualitative skills needed for investment analysis and portfolio management. Major topics include trade-off between risk and return, optimal portfolio selection, equilibrium asset pricing models, and delegated portfolio management. The course material somehow favors equity rather than fixed income and derivatives markets. Nonetheless, these instruments will be covered towards the end of the course, focusing on how they may be used to satisfy investment objectives that are difficult to achieve with equities alone.	
Design content : None	Computer usage: Excel
Course Outcomes: [relevant program outcomes in brackets]: By the end of this course, students will be able to: <ol style="list-style-type: none"> <li>1. Use various kinds of financial assets available in forming portfolios. For that purpose, students will have the necessary understanding of where and how these financial assets are bought and sold, and their characteristics in terms of risk and return.[8]</li> <li>2. Explain the basic principles of modern portfolio theory and how they restrict investor behavior. Using these ideas, students should be able to construct a recommended investment portfolio for an individual investor. [2,8,10]</li> <li>3. Evaluate the implications of the efficient market hypothesis on portfolio management.[2,8]</li> <li>4. Use one or more of several stock selection techniques to choose companies to invest in. [8,10]</li> <li>5. Use the techniques in active bond portfolio management. [2,8,10]</li> <li>6. Use derivative securities for hedging risk. [2,8,10]</li> <li>7. Evaluate past performance of portfolios. [2,8,10]</li> </ol>	
Recommended reading:	
Teaching methods Lectures, slides	
Assessment methods: Quizzes: 20% Midterms: 40%	

Final Examination: 40%										
Student Workload										
Preparatory reading ..... 60 hrs										
Lectures .....38 hrs										
Problem Solving ..... 45 hrs										
Examinations ..... 7 hrs										
TOTAL: 150 hours / 25 = 6 ECTS										
Weekly Subjects and Related Preparation Studies										
Week	Subject					Related Preparation				
1	Investments: Background and Issues					-				
2	Asset Classes and Financial Instruments					-				
3	Securities Markets					-				
4	Risk and Return: Past and Prologue					-				
5	Efficient Diversification					-				
6	Capital Asset Pricing and Arbitrage Pricing Theory					-				
7	The Efficient Market Hypothesis					-				
8	Bond Prices and Yields					-				
9	Managing Bond Portfolios					-				
10	Equity Valuation					-				
11	Options Markets					-				
12	Option Valuation					-				
13	Futures Markets and Risk Management					-				
14	Performance Evaluation and Active Portfolio Management					-				
The Relationship Between Course Learning Outcomes and Program Qualifications										
	Program Qualifications / Outcomes					Level of Contribution				
						1	2	3	4	5
1	Comprehend how to plan, organize, lead and control within an organizational setting					X				
2	Integrate the theories with the real life functions.								X	
3	Communicate and present ideas effectively in verbal and written.						X			
4	Participate in a team work effectively and increase the dynamics of the team.					X				
5	Use computer-based technology and related packaged software.								X	

6	Consider the principal laws that provide the legal framework for business.	X				
7	Hold a basic knowledge about accounting methods and their applications in business world.	X				
8	Apply financial analysis techniques within a business environment.					X
9	Identify the functions of marketing and their applications to business.	X				
10	Utilize basic quantitative analysis and their applications in the business world.					X
11	Apply basic principles of business processes and project management techniques.	X				
12	Utilize the skills and techniques of data collection for problem solving and decision making.	X				
13	Achieve an interdisciplinary point of view.	X				
14	Have the consciousness of business ethics and social responsibility issues.	X				
Prepared by : Assist. Prof. Aydin Yuksel		Revision Date : 06/2013				