UCL Université catholique de Louvain

# LLSMS2212

*2014-2015*

# Portfolio Management (in English)

| 5.0 credits | 30.0 h | 2q |
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| Teacher(s) : | Dispas Christophe ; |
| Language : | Anglais |
| Place of the course | Louvain-la-Neuve |
| Inline resources: | http://icampus.uclouvain.be/claroline/course/index.php?cid=LSMS2011_001 |
| Prerequisites : | Understanding the functioning and characteristics of basic financing instruments. |
| Main themes : | Portfolio Theory Efficient Capital Markets. |
| Aims : | The objective of the class is threefold. It is about:<br>1. systemizing and enhancing students' knowledge in financial markets: Review of portfolio management basic concepts ; learn to apply these concepts through practical examples;<br>2. motivating students for readings of well-known articles/textbooks in the field in order to prepare professionals able to update their knowledge by themselves during their career;<br>3. focusing on the illustration of selected financial analysis tools to study financial market prices. Without being exhaustive, a certain number of methods will be covered: e.g. different classic approaches used in portfolio theory and in asset pricing such as the Markowitz's efficient frontier, Capital Market Line, Capital Asset Pricing Model, Arbitrage Pricing Theory, Fama& mp;French Model, etc.<br>At the end of the class, the student is able to build, analyse and understand the management of an investment portfolio.<br><br>*The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".* |
| Evaluation methods : | The grading will be based on a written exam. The duration of the exam will be 1h30. Beside the written exam, students are asked to realize a final project by group. The topic of the final project will be posted on the website of the course. If the grade of the written exam is & t;= 8/20 - 1st session : « final project » = 60%, « written exam » = 40%; - 2nd session : « final project » = 40%, « written exam » = 60%. o If the grade of the written exam is & t; 8/20 - « final project » = 0%, « written exam » = 100%. |
| Teaching methods : | Readings, Lectures, Exercises, Group project & mp; Written exam. |
| Content : | The asset allocation decision Organization and functioning of securities markets An introduction to asset pricing models ( CAPM, consumption-based model, Multifactor models) Analysis and management of bonds Method The teaching is based on structured discussions laying on a well-defined reading program. To be effective students have to read and to prepare the assigned texts thoroughly before attending the class. |
| Bibliography : | The course is essentially built on:<br>1. Reilly F. and K. Brown, 2005, Investment Analysis and Portfolio Management, South Western College Publisher, 8th edition.<br>2. Dispas C. and Y. Boudghene, 2011, Gestion de portefeuille : Guide pratique, Larcier, 1er édition.<br>3. Benninga S., 2008, Financial Modeling, MIT Press, 3rd edition.<br>Academic Papers :<br><br>1. Fama, Eugene F., et Kenneth R. French, 1992, The cross section of expected stock returns, Journal of Finance, 46, 427 466.<br>2. Lakonishok, Jacob, Andrei Shleifer, et Robert Vishny, 1994, Contrarian investment, extrapolation and risk, Journal of Finance, 49, 1541-1578.<br>Other useful references:<br>1. Alphonse P., G. Desmuliers, P. Grandin and M. Levasseur, 2010,<br>2. Gestion de portefeuille et marchés financiers, Pearson.<br><br>Elton E. and M. Gruber, 2003, Modern Portfolio Theory and Investment Analysis, Wiley, 6th édition. |

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| Cycle and year of study : | > Master [120] in Management<br>> Master [120] in Management<br>> Master [120] in Business engineering<br>> Master [120] in Business Engineering |
| Faculty or entity in charge: | CLSM |