# RTU Course "Portfolio Management"

**22702 null**

*General data*

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|---|---|
| Code | IUF737 |
| Course title | Portfolio Management |
| Course status in the programme | Compulsory/Courses of Limited Choice |
| Course level | Post-graduate Studies |
| Course type | Academic |
| Field of study | Business Management and Administration |
| Responsible instructor | Konstantins Kozlovskis |
| Volume of the course: parts and credits points | 1 part, 6.0 Credit Points, 9.0 ECTS credits |
| Language of instruction | LV, EN |
| Annotation | The course covers traditional and modern types of financial instrument analysis, theoretical aspects of the concept of financial instrument assessment, traditional and modern portfolio management methodology. |
| Goals and objectives of the course in terms of competences and skills | The main goal of the course is to teach students to analyze financial instruments and to build investment portfolios taking into account different methods, approaches and theories.<br>The tasks of the course are:<br>•to develop theoretical knowledge in securities analysis and portfolio building;<br>•to teach to implement gained theoretical knowledge in the conditions of real financial markets;<br>•to develop skills in working with special financial packages in widely used data analysis environment “R”;<br>•to show how modern mathematical apparatus can be integrated in portfolio building methods to optimize investment parameters;<br>•to develop skills in preparing reports on the solved assignments a |
| Structure and tasks of independent studies | The course contains tests to develop theoretical knowledge and individual assignments to develop practical skills in securities analysis and portfolio building in the conditions of real financial markets. |
| Recommended literature | |
| Course prerequisites | The course is based on the knowledge gained in the bachelor program. |

*Course outline*

| Theme | Hours |
|---|---|
| The development stages of portfolio theory. | 2 |
| Modern Portfolio Theory: components, essence of diversification, advantages and disadvantages. | 2 |
| Stocks: evaluation of expected risk and return, portfolio building and management. | 6 |
| Bonds: duration, modified duration, immunization. | 8 |
| Forwards & Futures: valuation and portfolio building. | 6 |
| Portfolio building based on Value-at-Risk. | 8 |
| Portfolio hedging. | 6 |
| Multiassets portfolio management. | 8 |
| The application of the modern methods of financial information analysis in security analysis and portfolio management. | 12 |
| Implementation of options in structured products. | 8 |
| Markowitz portfolio theory. | 18 |
| Tobin portfolio theory. | 4 |
| CAPM & Sharpe portfolio theory. | 8 |

*Learning outcomes and assessment*

| Learning outcomes | Assessment methods |
|---|---|
| Students will be able to analyze securities taking into account their features and build portfolios. | Individual assignment and test to reinforce the material learnt. Assessment is based on points grading system. Gives 20% of final mark. |
| Students will be able to use secondary securities to hedge portfolios and build structured products. | Individual assignment and test to reinforce the material learnt. Assessment is based on points grading system. Gives 20% of final mark. |
| Students will be able to modify portfolio building theory to increase the effectiveness of portfolio management. | Individual assignment and test to reinforce the material learnt. Assessment is on points grading system. Gives 20% of final mark. |
| Students will be able to implement gained theoretical knowledge and practical skills to solve complex tasks. | Exam. Gives 40% of final mark. |

*Study subject structure*

| Part | CP | Hours per Week | | | Tests | | |
|---|---|---|---|---|---|---|---|
| | | Lectures | Practical | Lab. | Test | Exam | Work |
| 1. | 6.0 | 3.0 | 3.0 | 0.0 | | * | |