Course description form (syllabus form) – for 1st and 2nd cycle studies

**A. General data**

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| **Name of the field** | | **Content** |
| Course title | | Investment and Portfolio Management |
| Organizational unit: | | Faculty of Management |
| Organizational unit where the course is offered: | | Faculty of Management |
| Course ID | | ------------ |
| Erasmus code / ISCED | | **-------------** |
| Course groups | |  |
| Period when the course is offered | | Summer semester, year 2023/2024 |
| Short description | | The concept and characteristics of financial investments, with particular emphasis on investment decisions (goals and restrictions of investors). The rate of return and risk of financial investment. Characteristics of financial markets (assets and market participants). Analysis and valuation of investments in debt and equity instruments. Investment efficiency and benchmarking. The concept and use of derivatives for risk management. During the classes all topics will be developed and supported by examples. |
| Type of course: | | Classes 30 h |
| Full description | | 1. Introduction to investing theory. Goals and restrictions of investors.  - Definition and characteristics of financial investments  - Classification of financial assets  - Determinants of financial investments  - Securities and markets.  2. Criteria for investment decisions.  - Returns classification (nominal, real, risk free rate, risk premium)  - The concept of expected rate of return  - Return on investment distribution (normal distribution characteristics - kurtosis, skewness), Value-at-Risk  - Investment risk types and risk measures (variance, standard deviation)  - Risk diversification - classification (covariance and correlation rates of return).  3. Debt portfolio management.  - Classification and structure of interest rates (structure of immediate interest rates, term structure of interest rates)  - Theories regarding interest rate shaping (liquidity preferences, segmentation, expectations)  - Debt instrument features (price, profitability)  - Bond valuation model  - Bond sensitivity analysis to interest rate changes.  4. Equity portfolio management.  - Types and features of equity instruments  - Systematic and unsystematic risk  - Beta coefficient  - Asset valuation models (Sharpe, Markowitz, CAPM single indicator model, CML capital market line and SML stock market line)  - The concept of capital market efficiency  - Assumptions and basics of technical and fundamental analysis, stock market indicators.  5. Traditional measures of financial investment effectiveness.  - Benchmark concept, tracking error  - Performance indicators (Sharpe, Sortino, Jensen, Treynor).  6. Investment risk management using derivatives contracts.  - Forward / futures contracts characteristics  - Use of futures contracts to hedge risk.  - Use of swap contracts to hedge risk.  - Characteristics and use of options  - Withdrawal functions, rights and obligations of transaction parties. |
| Prerequisites | Formal | Basics of economics. Basics of finance |
| Initial | Knowledge of the basics of economics and finance |
| Learning outcomes | | After finishing the course, the student:  K\_W01 - knows and understands in depth the methodology of research and terminology in the field of financial investments,  K\_W03 - knows and understands in a deeper degree theories and economic models concerning the functioning of an organization and the whole economy,  K\_W04 - knows and understands in depth the legal regulations concerning the functioning of the organization and the whole economy,  K\_U01 - can use the theory of management and quality science discipline and complementary sciences (economics and finance, legal sciences) to identify, diagnose and solve problems related to financial decisions in the organisation and management of financial institutions, using an appropriate selection of sources and adapting existing or developing new methods,  K\_U02 - can correctly interpret complex technological, social, political, legal, economic and ecological processes and phenomena as well as their influence on financial decisions in organisations, the functioning of organisations and the whole economy, using appropriate sources,  K\_U03 - is able to prepare analyses, diagnoses and reports on complex and unusual problems related to financial management in organizations, accounting, management of financial institutions and strategies of financial institutions on his/her own and in teams, and present them in a communicative way, also in English - using IT and communication tools,  K\_U06 - has the ability to self-educate, improve one's qualifications and support others in this area,  K\_K01 - ready to evaluate and critically address complex situations and phenomena related to financial management in organizations, accounting, financial institutions management and financial institutions strategies,  K\_K02 - is ready to think and act in an entrepreneurial way in a national and global dimension,  K\_K03 - is ready to comply with and develop professional ethical standards. |
| ECTS credit allocation (and other scores) | | 4 |
| Assessment methods and assessment criteria | | 80% examination score; 20% project |
| Examination | | Exam, additionally a project (work in groups). |
| Type of class | | Seminar |
| Method of implementation of the subject | | Interactive explanation of key concepts, examples of financial investments, problem solving, case studies, individual and group research project |
| Language | | English |
| Bibliography | | *Basic position:*  *Bodie, Kane, Marcus 2018, Essential of Investments, Mc Grow Hill Education*  *Supplementary literature:*  *Haugen R. A., Modern Investment Theory, Pearson 2000*  *Francis J. F., Investments: Analysis and Management, McGraw Hill Higher Education.*  *Blake D., Financial Market Analysis, Wiley & Sons, Ltd. 2000.* |
| Internship as part of the course | | Professional practice is not required to complete the subject |
| Coordinators | | dr Jacek Karasiński |
| Group instructors | | dr Jacek Karasiński |
| Notes | |  |

**B. Detailed data**

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| **Name of the field** | **Content** |
| Group instructors: | Jacek Karasiński |
| Title | dr |
| Type of class: | Seminar |
| Learning outcomes defined for didactic method used during the course | After finishing the course, the student:  K\_W01 - knows and understands in depth the methodology of research and terminology in the field of financial investments,  K\_W03 - knows and understands in a deeper degree theories and economic models concerning the functioning of an organization and the whole economy,  K\_W04 - knows and understands in depth the legal regulations concerning the functioning of the organization and the whole economy,  K\_U01 - can use the theory of management and quality science discipline and complementary sciences (economics and finance, legal sciences) to identify, diagnose and solve problems related to financial decisions in the organisation and management of financial institutions, using an appropriate selection of sources and adapting existing or developing new methods,  K\_U02 - can correctly interpret complex technological, social, political, legal, economic and ecological processes and phenomena as well as their influence on financial decisions in organisations, the functioning of organisations and the whole economy, using appropriate sources,  K\_U03 - is able to prepare analyses, diagnoses and reports on complex and unusual problems related to financial management in organizations, accounting, management of financial institutions and strategies of financial institutions on his/her own and in teams, and present them in a communicative way, also in English - using IT and communication tools,  K\_U06 - has the ability to self-educate, improve one's qualifications and support others in this area,  K\_K01 - ready to evaluate and critically address complex situations and phenomena related to financial management in organizations, accounting, financial institutions management and financial institutions strategies,  K\_K02 - is ready to think and act in an entrepreneurial way in a national and global dimension,  K\_K03 - is ready to comply with and develop professional ethical standards. |
| Assessment methods and assessment criteria for didactic method used during the course | 80% examination score; 20% project |
| Examination for didactic method used during the course | Exam, additionally a project (work in groups). |
| Range of content | 1. Introduction to investing theory. Goals and restrictions of investors.  - Definition and characteristics of financial investments  - Classification of financial assets  - Determinants of financial investments  - Securities and markets.  2. Criteria for investment decisions.  - Returns classification (nominal, real, risk free rate, risk premium)  - The concept of expected rate of return  - Return on investment distribution (normal distribution characteristics - kurtosis, skewness), Value-at-Risk  - Investment risk types and risk measures (variance, standard deviation)  - Risk diversification - classification (covariance and correlation rates of return).  3. Debt portfolio management.  - Classification and structure of interest rates (structure of immediate interest rates, term structure of interest rates)  - Theories regarding interest rate shaping (liquidity preferences, segmentation, expectations)  - Debt instrument features (price, profitability)  - Bond valuation model  - Bond sensitivity analysis to interest rate changes.  4. Equity portfolio management.  - Types and features of equity instruments  - Systematic and unsystematic risk  - Beta coefficient  - Asset valuation models (Sharpe, Markowitz, CAPM single indicator model, CML capital market line and SML stock market line)  - The concept of capital market efficiency  - Assumptions and basics of technical and fundamental analysis, stock market indicators.  5. Traditional measures of financial investment effectiveness.  - Benchmark concept, tracking error  - Performance indicators (Sharpe, Sortino, Jensen, Treynor).  6. Investment risk management using derivatives contracts.  - Forward / futures contracts characteristics  - Use of futures contracts to hedge risk.  - Use of swap contracts to hedge risk.  - Characteristics and use of options  - Withdrawal functions, rights and obligations of transaction parties. |
| Didactic methods | Interactive explanation of key concepts, examples of financial investments, problem solving, case studies, individual and group research project |
| Bibliography | *Basic position:*  *Bodie, Kane, Marcus 2018, Essential of Investments, Mc Grow Hill Education*  *Supplementary literature:*  *Haugen R. A., Modern Investment Theory, Pearson 2000*  *Francis J. F., Investments: Analysis and Management, McGraw Hill Higher Education.*  *Blake D., Financial Market Analysis, Wiley & Sons, Ltd. 2000.* |
| Group limit |  |
| Time span |  |
| Location |  |