

## RTU Course "Portfolio Management"

22113 Finanšu katedra

| General data   |  |  |  |  |
|--|--|--|--|--|
| Code   | IEU512   |  |  |  |
| 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 Didenko  |  |  |  |
| Academic staff   | Konstantins Kozlovskis<br>Natalja Lāce   |  |  |  |
| Volume of the course: parts and credits points                           | 1 part, 4.0 Credit Points, 6.0 ECTS credits  |  |  |  |
| Language of instruction  | LV, EN, RU   |  |  |  |
| Possibility of distance learning   | Planned  |  |  |  |
| Abstract   | Traditional and modern types of financial instrument analysis, theoretical aspects of the concept of financial instrument assessment, traditional and modern portfolio management methodology are examined in this course.   |  |  |  |
| Goals and objectives of the course in terms of<br>competences and skills | The goals are: • To teach students to analyze securities to be able to build and manage the portfolio; • To teach to evaluate the effectiveness of portfolio management.<br>Objectives of the course: students should<br>• Understand the theoretical aspects of portfolio management;<br>• Be able to analyze securities taking into account their features;<br>• Be able to build a portfolio;<br>• Be able to use derivatives for hedging a portfolio;<br>• Be able to modify a modern portfolio theory to increase the effectiveness of portfolio management.                            |  |  |  |
| Structure and tasks of independent studies                               | 16 labs.   |  |  |  |
| Recommended literature   | <ol> <li>Lāce N., Jansons V., Kozlovskis K. Ekonomisko procesu informācijas nodrošinājums: finansu<br/>aprēķinu modelēšana EXCEL vidē: Mācību līdzeklis2.daļa: Vērtspapīri Rīga: RTU, 2004<br/>171 lpp.</li> <li>Frank Fabozzi, CFA, Investment management, Editor Journal of Portfolio Management with<br/>contributions from T.Daniel Coggin, Bruce Collins, Russel Fogler, John Ritchie Jr., Prentice Hall<br/>International Inc., 2000</li> <li>William F.Sharpe, Cordon J. Alexander, Jeffery V.Bailey, Investments, 5th edition, Prentice Hall<br/>International Inc., 2004</li> </ol> |  |  |  |
| Course prerequisites   | mathematics, statistics, computers.  |  |  |  |

## Course outline

| Theme  | Hours |  |
|--|-------|--|
| The development stages of portfolio theory.  |       |  |
| Modern Portfolio Theory: components, essence of diversification, advantages and disadvantages.                         |       |  |
| Stocks: evaluation of expected risk and return, portfolio building and management.                                     |       |  |
| Bonds: duration, modified duration, immunization.  |       |  |
| Swaps: evaluation and portfolio management.  |       |  |
| Portfolio building based on Value-at-Risk.   |       |  |
| Portfolio hedging.   |       |  |
| Multiassets portfolio management.  |       |  |
| The application of the modern methods of financial information analysis in security analysis and portfolio management. |       |  |
| Labs.  |       |  |

## Learning outcomes and assessment

| Learning outcomes  | Assessment methods |
|--|--------------------|
| Be able to analyze securities taking into account their features and to build portoflio.           | Labs, exam.        |
| Be able to use derivatives for hedging a portfolio.  | Labs, exam.        |
| Be able to modify a modern portfolio theory to increase the effectiveness of portfolio management. | Labs, exam.        |

## Study subject structure

| Part | СР  | ECTS | Hours per Week |           |      |      | Tests |      |
|------|-----|------|----------------|-----------|------|------|-------|------|
|      |     |      | Lectures       | Practical | Lab. | Test | Exam  | Work |
| 1.   | 4.0 | 6.0  | 2.0            | 0.0       | 2.0  |      | *     |      |