



Faculty of Economic Sciences, Communication and IT
Economics

Syllabus

Course Approval

The syllabus was approved by the Faculty Board of Economic Sciences, Communication and IT on 22 August 2012, and is valid from the Spring semester of 2013 at Karlstad University.

Course Code: NEGC18

Portfolio Analysis, 7.5 ECTS Credits
(Portföljval, 7.5 Swedish credit points)

Degree Level: Bachelor

Progressive Specialisation: G2F (First cycle, has at least 60 credits in first-cycle course/s as entry requirements)

Language of Instruction

The language of instruction is English if non-Swedish speaking students or teachers participate in the course. If not, instruction is in Swedish.

Prerequisites

Economics 60 ECTS Credits. Mathematics or Statistics 15 ECTS Credits or equivalent

Major Field of Study

NAA (Economics)

Learning Outcomes

Upon completion of the course students should be able to

- describe how financial markets and institutions work and their roles in a market economy,
- present different pricing models of basic financial instruments such as bonds and shares,
- present different portfolio selection models,
- apply different methods of assessing portfolio investment,
- compose 'optimal' portfolio holdings and portfolios with a given risk exposure,
- calculate the risk premia of individual companies and discount interests and
- use the theories of financial risk management and, when applicable, of protecting bond portfolios against interest risks.

Content and Form of Instruction

The course deals with theories of financial asset pricing in developed capital markets. The basis of pricing theories is the portfolio selection theory which is used for the deduction of the so called optimal portfolio holding, that is, how investors should combine a high number of financial assets to achieve the best balance between yield and risk. The portfolio models discussed are CAPM and APT and their empirical correspondences "Single-index" and "Multi-index" models. The course also treats ways in which financial corporations can protect their portfolios against different types of risks, and ways to evaluate portfolio investments. Theories are practically implemented through computer exercises in which students compose portfolios and evaluate the result.

Reading List

See separate document.

Examination

Assessment is based on a written exam and computer lab exercises performed in groups or individually.

Grades

One of the grades Distinction (VG), Pass (G), or Fail (U) is awarded in the examination of the course.

Quality Assurance

Follow-up relating to learning conditions and goal-fulfilment takes place both during and upon completion of the course in order to ensure continuous improvement. Course assessment is based on student views and experiences as reported in written course evaluations and/or group discussions. Students will be informed of the result of the evaluation and of the measures to be taken.

Course Certificate

A course certificate will be provided upon request.

Additional Information

Students who enrolled before 1 July 2007 will complete their studies in accordance with the requirements of the earlier admission. Upon completion students may request degree and course certificates to be issued under the current ordinance if they meet its requirements.

The local regulations for studies at the Bachelor's and Master's levels at Karlstad University stipulate the obligations and rights of students and staff.

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