UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Financial Portfolio Management

2021-3-E1803M107

Learning objectives

The main goal of the course is the understanding and application of investment strategies for portfolios of financial assets. In particular, the student will be able, using the correct disciplinary language, to:

- understand the functioning of the securities market (microstructure)
- know the economic-technical characteristics of the different asset classes (bonds, shares, mutual funds)
- define asset allocation approaches (portfolio optimization and pricing models)
- apply asset allocation principles in building a portfolio of ETFs
- clarify the differences between modern finance theory and behavioral finance
- understand the relationships between the theory of market efficiency and the assumptions of fundamental analysis (DCF and multiple analysis) and technical analysis
- apply the tools of portfolio performance evaluation

Contents

The course develops an understanding of the role and functioning of securities markets in its two main sectors: the bond market and the stock market.

Besides this basic understanding, participants will have an overview on more specific topics, such as portfolio

management strategies, portfolio perfomance evaluation, market efficiency and behavioral finance. The aim of the course is to allow attending students to acquire the necessary grasp in the use of securities analysis tools

Detailed program

1. Financial markets structure

2. Equity valuation: return and risk measures

3. Bond evaluation: return and risk measures

4. Markowitz portfolio selection theory

5. *Capital Asset Pricing Model*

6. Portfolio perfomance evaluation

7. Financial markets efficiency and technical analysis

8. Behavioral finance

Prerequisites

Basic knowledge of statistics and financial mathematics

Teaching methods

The teaching is provided in Blended Learning mode and and includes:

- 21 hours of lectures
- 28 hours of autonomous activity to be carried out based on the material provided online (Video lessons / videos /ad hoc readings / websites, use of financial databases)

- 12 hours of class exercises dedicated to technical analysis and the Asset Allocation Contest

Attending students are defined as actively participating in frontal lessons, online teaching, class exercises

Attendance will be verified through participation in exercises proposed weekly both on the online platform and during lectures

All students, attending or not, can participate (in groups) to an Asset Allocation Contest for the duration of the course. Contest information is provided during exercise hours (mandatory for those participating in the contest)

In the case of new lockdowns during the II semester, all lectures will be replaced by video-lessons on the e-learning

portal.

Assessment methods

Attending students.

Verification of learning takes place by degrees:

1. weekly during lectures
2. with an end-of-course test conducted in a computer lab and structured with 10 closed questions (multiple choice) and 2 open questions.

The test rating scale includes the following score:

- 3 points for correct answers to multiple choice questions (0 if wrong)
- 15-30 points for the answers to the open questions (12 to the absent answer

The final score obtained in the test will be added up to a maximum of 1,5 points obtained by answering the test proposed during lectures. In addition, students participating to the Asset Allocation Contest (AAC) are rewarded up to a max of 1,5 points

Example: 10 correct closed questions (30); Open question 1: 20; Open question 2: 30

Test rating = (30 + 30 + 20) / 3 = 26.67; to which are added max 3 points obtained by correctly answering the weekly tests proposed during lectures and by participating to the AAC

STUDENTS NOT ATTENDING

Written exam: 10 multiple choice questions + 2 open questions

Rating scale:

- 0-3 points questions multiple choice
- 15-30 open questions (12 to the absent answer)

It will be possible, at the request of the student, to also take an oral exam, in addition to the written one (Both for attending students and for not-attending students)

Textbooks and Reading Materials

Economia del mercato mobiliare (Fundamentals of Investments), McGraw Hill Italia.

The textbook is a selection of readings from the book by Jordan, Miller and Dolvin (2021) *Fundamentals of Investments: Valuation and Management*

Semester

Second Semester

Teaching language

English