

Course Outline

FN452 : ASSET MANAGEMENT AND PORTFOLIO ANALYSIS

Semester 1/2021 (August 9 – November 27, 2021)

Number of Credit: 3 (3 – 0 – 6)

Prerequisite: FN452 Asset Management and Portfolio Analysis

Course Description:

Theory and practice of modern portfolio management, portfolio construction, portfolio performance evaluation, bond portfolio management, and new developments in asset management, e. g. Black-Litterman model, factor investing, etc. Financial modeling using actual market data in Excel program

Course Objectives:

- To provide frameworks for investment and asset management.
- To use actual data from markets and form the optimal portfolio.
- To explain and apply CAPM and other asset pricing models.
- To construct and manage equity portfolios.
- To construct and manage fixed income portfolios.
- To identify investment opportunities and evaluate investment performance.
- To understand new developments in asset management and apply some of them to construct portfolio.
- To understand efficient market hypothesis, market anomalies, and behavioral finance.
- To understand investment management industry.

Class Time and Logistic

Class day: Thursday

Class time: 14:00 – 17:00

Teaching Materials Platform: BE Moodle with enrollment key (1457)

Meeting Platform: <https://zoom.us/j/92882572051>

Instructor:

Name: Asst.Prof.Dr. Sakkakom Maneenop

Office Hours: By appointments

Email: sakkakom@tbs.tu.ac.th

Main Text:

- Zvi Bodie, Alex Kane, and Alan C. Marcus, **Investments**, McGraw-Hill, 12ed, 2020. (BKM)
- Scott D. Stewart, Christopher D. Piros, and Jeffrey C. Heisler, **Portfolio Management: Theory and Practice**, Wiley, 2019. (SPH)

Recommended Texts & Materials

- Simon Benninga, **Financial Modeling**, MIT Press, 4ed, 2014.
- https://www.researchaffiliates.com/en_us/home.html
- <https://www.tandfonline.com/toc/ufaj20/current>
- www.bloomberg.com
- www.economist.com
- www.vanguard.com
- www.blackrock.com
- www.finance.yahoo.com
- www.google.com/finance
- www.ft.com
- www.wsj.com
- www.settrade.com
- www.thaibma.or.th
- www.bot.or.th
- www.set.or.th
- www.sec.or.th

Suggested Readings:

- CFA materials

Grading Criteria: By group

Midterm Examination	30%
Final Examination	40%
Term Projects and homework (Group)	30%
Total	<u>100%</u>

Expected Learning Outcomes:

	1. Morality and Ethics	Expected Learning Outcomes
N/A	1.1 Possess honesty, sacrifice, self-, social-, and environmental responsibility.	
N/A	1.2 Value “sufficiency” theory and adapt it in life path by adhering to adequacy, rationale, and immunity development.	
N/A	1.3 Value disciplines, respect, and comply with the rules and regulations of the institution and society at large.	
●	1.4 Acquire knowledge related to business morality and ethics, and be able to handle ethical dilemma with integrity.	Students are instilled with investment morality and ethics.
	2. Knowledge	Expected Learning Outcomes
N/A	2.1 Acquire knowledge on and understand the important concepts in business management.	
N/A	2.2 Acquire knowledge on and understand the important social and science concepts related to business management.	
N/A	2.3 Acquire knowledge on and understand the important concepts related to business processes, planning, corporate structures, operations, control, performance evaluation and contingency plan to suit the circumstances.	
●	2.4 Acquire the knowledge on academic advancement and professional development in business management including the understanding of the situational adaptability and its impacts on business.	Students need to have enough knowledge and understanding in investment management and portfolio analysis. Problems solving will be tested on quizzes, assignments, and exams. Students understand the concept of asset management and portfolio analysis. Students are able to adapt the concept to various situations.
	3. Intellectual Development	Expected Learning Outcomes
●	3.1 Be able to search and process information and utilize various concepts appropriately in a given circumstance in order to obtain relevant information to benefit in the rapidly changing business environment.	Students can search and process information relevant to financial markets so they can create and manage portfolios.
N/A	3.2 Be able to think systematically, rationally and creatively and to integrate knowledge from other disciplines to solve the problems in business and other settings.	
N/A	3.3 Be able to collectively propose solutions to problems at hand and analyze the impacts of the proposed solutions and be able to choose the solution that is appropriate to a given situation to ensure business competitive advantages.	

	4. Interpersonal Skills and Responsibilities	Expected Learning Outcomes
N/A	4.1 Be able to work in team, possess interpersonal skills and leadership skills, and be professionally adaptive to a given situation.	
N/A	4.2 Be creative and constructively criticize to solve problem of the team.	
●	4.3 Be responsible in lifelong learning to develop self and professional career.	Students demonstrate the ability to be a lifelong learner. Students successfully create ideas and constructively criticize so that the team achieves the best work and solution.
	5. Quantitative Analysis, Communication and Information Technology	Expected Learning Outcomes
●	5.1 Be able to apply mathematics, statistics, quantitative analysis in analyzing and making decisions in business and daily life.	Students are able to use Excel to solve application problems. Students are able to integrate foundation knowledge to solve investment and asset management problems.
N/A	5.2 Be able to efficiently communicate in Thai and foreign languages that are relevant in doing business.	
N/A	5.3 Be able to explain the issues and make the issues clear in verbal or writing, and be able to choose the appropriate pattern of communication for different groups of audience both in business context and in other contexts.	
N/A	5.4 Be able to utilize the information technologies or others to support the business operations.	

Tentative Class Schedule:

Session/Date & Time	Topics	Activities/ Text & Materials*/ Media
#1: 12 Aug	Introduction: Asset class, Investment policy statements, investor types	Handout BKM ch. 1-2, SPH ch. 1
#2: 19 Aug	Risk, return, and historical record	Handout BKM ch. 5, SPH ch. 2
#3: 26 Aug	Capital allocation to risky assets	Handout BKM ch. 6, SPH ch.3
#4: 2 Sep	Efficient diversification with two assets	Handout BKM ch. 7, SPH ch. 3
#5: 9 Sep	Efficient diversification with N assets	Handout BKM ch. 7, SPH ch. 3
#6: 16 Sep	Index models, CAPM, and multifactor models	Handout BKM ch. 8-10
#7: 23 Sep	Asset allocation inputs	Handout BKM ch. 27, SPH ch. 4
Midterm exam: Thursday September 30, 15:00 – 17:00		
#8: 7 Oct	Passive equity portfolio	Handout SPH ch. 7-8
#9: 14 Oct	Active equity portfolio	Handout SPH ch. 7-8
#10: 21 Oct	Performance evaluation and factor investing	Handout BKM ch.24, SPH ch.13
#11: 28 Oct	Fixed income management	Handout BKM ch. 14-15
#12: 4 Nov	Fixed income management (cont.)	Handout BKM ch. 16, SPH ch. 9
#13: 11 Nov	Efficient market hypothesis and behavioral finance	Handout BKM ch. 11-12, SPH ch. 6 and 15
#14: 18 Nov	Mutual fund industry and performance	Handout BKM ch. 4 and 13
#15: 25 Nov	Project presentation and course summary	
Final exam: Tuesday December 14, 9:00 – 11:30		

*The instructor may request make-up classes or reschedule topics when appropriate.

Groups for assignments & term projects

Students form a group of **no more than 2 people** and prepare the following information in MS Word. One of the group members send this information to sakkakom@tbs.tu.ac.th by **September 1, 2021** using mail subject as "FN452 Group name" (e.g. FN452 Invest4Life) and carbon copy to all group members.

Group name: xxxxxxxx

No.	First name and last name	Student ID	Photo	E-mail	Mobile phone	Facebook
1	Required	Required	Required	Required	Not required	Not required
2			(can be			
3			individual or			
4			group photos)			
5						
6						