

**Course:** FINA 6321 Portfolio Analysis and Management  
**Credits:** 2 credits  
**Prerequisites:** MBA 6120, MBA 6230

### **Description**

Individuals and institutions manage trillions of dollars of investments in financial assets. This course introduces analytical concepts used to manage security portfolios from the perspective of an institutional investor. However, many of these concepts are equally applicable to individuals who manage their own portfolios. Central to managing money is establishing an investment objective, which in turn leads to the selection of a benchmark for evaluating performance. In doing so an understanding of the notion of market efficiency and the relationship between risk and return is essential. This can only be accomplished by understanding equilibrium-based models of asset pricing. Since securities are bought and sold, a basic understanding of security trading is also essential. Thus, topics covered in this course include benchmarking, market efficiency, active versus passive management, asset pricing models, diversification and portfolio risk management, margin purchasing and short selling, strategic and tactical asset allocation, style analysis, portfolio revision, and portfolio performance evaluation and attribution.

### **Objectives**

To provide students with an understanding of:

1. The market efficiency debate
2. The centrality of benchmarking to portfolio management
3. Why and how risk and return are related
4. Proper diversification in managing portfolio risk
5. Order placement and execution
6. The issues associated with revising the holdings in a portfolio
7. Portfolio performance evaluation
8. The importance of behavioral finance to portfolio management

### **Learning Outcomes**

Students completing this course will acquire the following competencies:

1. How to measure and evaluate the risk of securities and portfolios
2. How to properly diversify a portfolio
3. How to construct long-only, short-only, and long-short portfolios
4. How to place buy and sell orders
5. How to evaluate potential portfolio revisions
6. How to evaluate a portfolio manager