Capital Markets & Portfolio Management
Athens University of Economics & Business
Lecturer: Prof Elias Tzavalis

Aims and objectives:

The aim of this course is to introduce students to the modern tools of investment analysis, Risk and portfolio management, asset pricing. It covers topics on investment techniques and capital budgeting, capital markets, optimal portfolio management and risk management, pricing assets, like stocks and bonds, capital markets efficiency. The topic also includes demonstration of the above techniques with the finance tools of excel.

At the end of the course, the students will have a full understanding of concepts and tools of the modern finance theory used in practice. They should have learned how to employ alternative criteria in making investment decisions under certainty and uncertainty, to form optimal portfolios of assets in domestic and international markets, to calculate the fair price of stocks and bonds, to derive the term structure of interest rates based on arbitrage arguments, and to apply passive and active bond portfolio management techniques.

Course outline and reading list

1. Investment decisions under certainty

2. Investment decisions under uncertainty

3. Mean-variance portfolio analysis

4. The Capital Asset Pricing Model

5. Factor models and the Arbitrage Pricing Theory

6. Bond Markets

7. The term structure of interest rates: theory and practice

8. Bond portfolio management

9. International capital markets and portfolio investments

Reading list:

Ξένη (MSc/BSc level):

Bodie Z., A. Kane and A. Marcus (2001), Essentials of Investments

Brealey and Myers (2004), Principles of Corporate Finance

Cerny A. (2004), Mathematical Techniques in Finance.

*Copeland T. and J. Weston (1992), Financial Theory and corporate policy

*Danthine J. and Donaldson (2002), Intermediate Financial Theory.

Elton E.J. and M.J. Gruber (1995), Modern Portfolio Theory and Investment Analysis

Fabozzi F. (1996), Bond Markets, Analysis and Strategies

*Luenberger D. (1997), Investment Science.

Sharpe, Alexander and Bailey (1999), Investments.

Sundaresan (1997) Fixed Income Markets and their derivatives

<u>Ελληνική (BSc/BSc level)</u>

Τζαβαλής Ηλίας και Αθαν. Πετραλιας (2009), Επενδύσεις , Εκδόσεις ΟΠΑ

Αθαν. Πετραλιάς και Ηλίας Τζαβαλής (2009), Επενδύσεις: Ασκήσεις, Εκδόσεις ΟΠΑ.

<u>Mmore advanced for PhD/Mphil</u>)

Cochrane J. (2001), Asset pricing

Ingersoll J. (1987), Theory of Financial Decision Making

Pliska S. (1997), Introduction to Mathematical Finance

*Tzavalis E. (2005), Lecture Notes in Finance