IB357-15 Investment Management

21/22

Department
Warwick Business School
Level
Undergraduate Level 3
Module leader
Constantinos Antoniou
Credit value
15
Module duration
10 weeks
Assessment
Multiple
Study location
University of Warwick main campus, Coventry

Description

Introductory description

This is an elective module available for WBS and non-WBS students.

This module provides an advanced theoretical and practical treatment of modern portfolio theory and portfolio management, mainly from an equity market perspective.
Issues to be considered include security selection, portfolio construction, asset pricing models, market efficiency, performance measurement and limits to arbitrage.

Module web page

Module aims

This module provides an advanced theoretical and practical treatment of modern portfolio theory and portfolio management, mainly from an equity market perspective.
Issues to be considered include security selection, portfolio construction, asset pricing models, market efficiency, performance measurement and limits to arbitrage.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Portfolio theory
Asset pricing models
Market Efficiency
Behavioural Finance
Limits to arbitrage
Bonds
Derivatives

Learning outcomes

By the end of the module, students should be able to:

- Demonstrate advanced knowledge of portfolio and asset pricing theory.
- Understand how investment management relates to market efficiency.
- Understand how theories in behavioral finance can help managers analyze market inefficiency.
- Understand how limits to arbitrage impact investment management.
- Be able analyze bonds, and how to hedge interest rate risk.
- Be familiarized with trading strategies with options.
- Financial reasoning and paying attention to risk.

Indicative reading list

The main textbook used in the module is Bodie, Zvi, Alex Kane, and Alan J. Marcus. Investments, 11th edition, McGraw-Hill 2018.
Articles
Porta, Rafael La, et al. "Good news for value stocks: Further evidence on market efficiency." The Journal of Finance 52.2 (1997): 859-874.
Lakonishok, Josef, Andrei Shleifer, and Robert W. Vishny. "Contrarian investment, extrapolation, and risk." The Journal of Finance 49.5 (1994): 1541-1578.
K. BRUNNERMEIER, and Stefan Nagel. "Hedge funds and the technology bubble." Journal of Finance 59.5 (2004): 2013-2040.
Shleifer, Andrei, and Robert W. Vishny. "The limits of arbitrage." The Journal of Finance 52.1 (1997): 35-55.

Subject specific skills

Use portfolio and asset pricing theory to solve mathematical problems related to investment management.
Learn to use data to solve problems in investment management.

Transferable skills

Problem solving using mathematics, interpreting numbers from published research and extracting value from publicly available information.

Study

Study time

Type	Required
Lectures	10 sessions of 2 hours (13%)
Seminars	9 sessions of 1 hour (6%)
Private study	48 hours (32%)
Assessment	73 hours (49%)
Total	150 hours

Private study description

No private study requirements defined for this module.

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group D6

	Weighting	Study time
Participation (15 CATS) Participation in activities on a weekly basis via my.wbs	10%	8 hours
Online Examination Exam ~Platforms - AEP	90%	65 hours

- Students may use a calculator
- Answerbook Green (8 page)

Assessment group R1

	Weighting	Study time
Online Examination - Resit Exam ~Platforms - AEP	100%	

- Answerbook Green (8 page)
- Students may use a calculator

Feedback on assessment

Feedback via My.WBS.

Past exam papers for IB357

Availability

Pre-requisites

To take this module, you must have passed:

- Any of
  - IB253-15 Principles of Finance 1
  - IB266-15 Fundamentals of Finance
  - IB235-15 Finance 1: Financial Markets

Courses

This module is Optional for:

- UIBA-MN34 Law and Business Four Year (Qualifying Degree)
  - Year 3 of MN34 Law and Business Studies Four Year (Qualifying Degree)
  - Year 4 of MN34 Law and Business Studies Four Year (Qualifying Degree)
- UECA-3 Undergraduate Economics 3 Year Variants
  - Year 3 of L100 Economics
  - Year 3 of L100 Economics
  - Year 3 of L100 Economics
  - Year 3 of L116 Economics and Industrial Organization
  - Year 3 of L116 Economics and Industrial Organization
- UECA-4 Undergraduate Economics 4 Year Variants
  - Year 4 of L103 Economics with Study Abroad
  - Year 4 of LM1H Economics, Politics & International Studies with Study Abroad
  - Year 4 of LM1H Economics, Politics & International Studies with Study Abroad

    - Year 4 of L114 Industrial Economics with Study in Europe
- UECA-LM1D Undergraduate Economics, Politics and International Studies
    - Year 3 of LM1D Economics, Politics and International Studies
    - Year 3 of LM1D Economics, Politics and International Studies
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- UIBA-MN32 Undergraduate Law and Business Studies
    - Year 3 of MN32 Law and Business Studies (Four-Year)
    - Year 4 of MN32 Law and Business Studies (Four-Year)
- Year 5 of UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)
    - Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)
    - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- Year 5 of UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)
- USTA-G300 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics
    - Year 3 of G300 Mathematics, Operational Research, Statistics and Economics
    - Year 4 of G300 Mathematics, Operational Research, Statistics and Economics
- Year 3 of UMAA-GL11 Undergraduate Mathematics and Economics
- Year 4 of UECA-GL12 Undergraduate Mathematics and Economics (with Intercalated Year)

This module is Unusual option for:

- UPHA-V7ML Undergraduate Philosophy, Politics and Economics
    - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)
    - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)
    - Year 3 of V7ML Philosophy, Politics and Economics (Tripartite)

This module is Option list A for:

- Year 4 of USTA-G300 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics
- Year 5 of USTA-G301 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics (with Intercalated

This module is Option list G for:

- UPHA-V7ML Undergraduate Philosophy, Politics and Economics
    - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
    - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
    - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)