Asset Pricing and Portfolio Management

AFA Module 6, 2011

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Readings

(1) Textbook (BKM):

Zvi Bodi, Alex Kane, and Alan J. Markus, 2011, *Investments* (Global edition, 9th edition)

(2) Lecture notes (compendium):

B. Espen Eckbo, 2010, *Asset Pricing and Portfolio Management*

(3) Misc. articles (in compendium)

Main course objectives

- Understand the implications of rational asset pricing for portfolio management
- Understand the concept of `risk' and therefore the cross-section of expected stock returns
- Understand fund performance measurement and applications
- Look at the performance of special portfolios (including Government Pension Fund - global)

- Friday: Portfolio Theory and Trading Costs
  - S1: Market efficiency and behavioral finance
  - S2: Costs of active investing
  - S3: Basic portfolio theory
- Saturday: Asset pricing theories
  - S4: Capital Asser Pricing Model
  - S5: The Arbitrage Pricing Theory
  - S6: Asset pricing: Empirical tests
  - S7: Exercises
- Sunday: Portfolio Management
  - S8: Portfolio Performance Evaluation
  - S9: Active Fund Management
  - S10: SWFs and Hedge Funds
  - S11: Performance of Insider Trades