**Course Title : Investment Management**

**Course Code : COMB 643**

Credit Hours : 03

Total Weeks : 16

Total Hours : 48

**Course Objectives:**

This course is designed to provide a good understanding of the field of investment, while stimulating interest in the subject. This understanding is quite valuable because students must make various investment decisions during our lifetimes. The basic purpose of this course is to enhance the knowledge of students regarding understanding investment opportunities, making good investment decisions and recognizing where investment problems and controversies arise and knowing how to deal with them.

Week 1 Introduction; The Nature and Meaning of Investments; Financial in Economic Concept of Investment; Characteristics of Investment;

Week 2 Objectives of Investment; Investment Vs Speculation; Investment Vs Gambling;

Week 3 Types of Investors; Individual and Institutional Investors; Investment Avenues;

Week 4 Introduction to Portfolio Management; Phases of Portfolio Management; Security Analysis; Portfolio Analysis; Portfolio Selection;

Week 5 Portfolio Revision; Portfolio Evaluation; Evolution of Portfolio Management; Historical Facts;

Week 6 Phases of Evolution; Speculative Phase; Phase of Professionalism; Scientific Phase; Role of Portfolio Management;

Week 7 Investment and Risk; Meaning of Risk; Elements of Risk; Systematic Risk; Interest Rate Risk; Market Risk; Purchasing Power Risk;

Week 8 Unsystematic Risk; Business Risk; Financial Risk;

Week 9 Fundamental Analysis; The Concept of Fundamental Analysis; Economy – Industry – Company Analysis Frame Work;

Week 10 Economy Analysis; Growth Rates of National Income; Interest Rates; Government Revenue, Expenditure and Deficit; Exchange Rates; Infrastructure; Economic and Political Stability; Economic Forecasting;

Week 11 Industry and Company Analysis; Industry Analysis; Industry Life Cycle; Stages of Industry Analysis;

Week 12 Industry Characteristics; Demand Supply Gap; Competitive Conditions in the Industry; Performance Labour Condition; Attitude of Government; Supply of Raw Materials; Cost Structure;

Week 13 Company Analysis; The Concept of Company Analysis; Financial Statement; Analysis and Interpretation of Financial Statements;

Week 14 Stock Exchange; Definition; Functions; Advantages and Disadvantages;

Week 15 Procedure of dealings on Stock Exchange; Broker; Order; Contract; Communication; Settlement;

Week 16 Buyer and Sellers of Securities; Types of Speculators; Causes of Fluctuation in Security Prices; Types of Orders; Pakistan’s Stock Market

**Recommended Texts:**

Bob Litterman, Q. R. (2011). *Modern Investment Management: An Equilibrium Approach,* (9th Edition). New York: John Wiley & Sons.

Jones, C. P. (2012).  *Investment: Analysis And Management,* (12th Edition). Jon Wiley and Sons.

Frank, J. Fabozzi, H. M. (2013). *The Theory and Practice of Investment Management: Asset Allocation, Valuation, Portfolio Construction, and Strategies,* (10th Edition). New York: John Wiley & Sons.

Hagin, R. L. (2010). *Investment Management: Portfolio Diversification, Risk, and Timing--Fact and Fiction,* (3rd Edition). New York: John Wiley & Sons.

Jones, C. P. ( 2012).  *Investment: Analysis And Management* (12th Edition). Jon Wiley and Sons.

Bhalla ,V.K. (2008*). Investment Management*. S. Chand Limited.

Karachi Stock Exchange (2004). *Investors Guide.* Karachi Stock Exchange and also available on Web Site [www.kse.com.pk](http://www.kse.com.pk).

Kevin, S. (2007). *Portfolio Management*. New Delhi: Prentice-Hall of India Pvt.

Maheshwari, Y. (2010). *Investment Management,* (8th Edition). Pheonix: PHI Learning Pvt. Ltd.

Stevenson, T. H. (2010). *Investment Management: A Practical Approach for Financial Institutions,* (9th Edition). Pennsylvania: Bankers Publishing Company.

Winfield, R.G., & Curry, S.J. (2008). *Success in investment.* John Murrry Publishers Ltd.

## Course Title : Financial Risk Management

**Course Code : COMB 644**

Credit Hours : 03

Total Weeks : 16

Total Hours : 48

**Course Objectives:**

The course is designed to focuses on financial risk management to provide knowledge to students to understand theoretical, methodological and technical aspects of financial risk management. The students are expected to, (i) Understanding about the theoretical foundations of financial risk management, and (ii) Understand the methodological approaches to and common hazards of empirical archival research on financial risk management.

Week 1 Introduction; Motivation for Risk Management; Why Risk Management;

Week 2 Creating Value with Risk Management;

Week 3 Find Risk and Return for an Asset and Portfolio;

Week 4&5 Financial Engineering; Derivative (Forwards, Futures, Swaps, Basic and Exotic Options);

Week 6 Standard Hedging Techniques;

Week 7&8 Measuring Volatility; EWMA and GARCH Models; Implied and Realized Volatility;

Week 9-11 Market Risk; VaR (Value at Risk) Measurement;

Week 12 Back-testing; Stress-testing; Alternative Risk Measures;

Week 13 Liquidity Risk;

Week 14&15 Credit Risk; Merton Model;

Week 16 Modern Structural and Reduced-form Models; Credit Derivatives

**Recommended Texts:**

Christoffersen, P. (2012). *Elements of Financial Risk Management*. Elsvier Inc.

Allen, S. L. (2012). *Financial Risk Management: A Practitioner's Guide to Managing Market and Credit Risk,* (2nd Edition). Wiley.

Crouhy, M., Mark, R., & Galai, D. (2000). *Risk Management* (1st Edition). McGraw-Hill.

Bradstreet ,D.(2007). *Financial Risk Management*. Tata McGraw-Hill.

Chatterjee, R. (2014). *Practical Methods of Financial Engineering and Risk Management: Tools for Modern Financial Professionals,* (1st Edition). Apress.

Hull, J. C. (2006). *Risk Management and Financial Institution.* Prentice-Hall

Van Deventer, D. R., Imai, K., & Masler, M. (2013). *Advanced Financial Risk Management: Tools and Techniques for Integrated Credit Risk and Interest Rate Risk Management,* (2nd Edition). Wiley.