

MBA 608
Portfolio Management
[Semester/Year]
[Class location]
[Class Meeting time(s)]

Instructor: [Name] [Office, e-mail, phone]

Office Hours: [scheduled + by appointment? Virtual Office Hours?]

I. Rationale/Purpose

The Master of Business Administration (MBA) is an integrative, interdisciplinary degree designed to create independent, lifelong learners who are *Business-Ready* to assume leadership positions.

The AACSB accredits Colleges of Business, including Western Carolina University. This course addresses two of three AACSB standards associated with Master of Business Administration Programs. MBA graduates will:

1. Have the ability to apply knowledge in new and unfamiliar circumstances through conceptual understanding of financial decision making.
2. Have the capacity to adapt and innovate to solve problems, to cope with unforeseen events, and to manage in unpredictable environments.

The MBA program has developed an Assurance of Learning Program that facilitates ongoing quality enhancement. This course shares responsibility for the achievement of four programmatic goals. MBA graduates will:

1. Understand the role strategy plays in an organization and be able to apply organizational strategy to financial decisions.
2. Be able to use analytical tools to improve the evaluation of alternatives and subsequent judgment.
3. Have a solid foundation of knowledge of finance terms and concepts.
4. Be able to analyze the contributions from financial decisions necessary to assembling an overall image of the potential for a business concept.

II. Course Aims and Objectives:

Aims: This course focuses on business, trading and investment portfolio construction.

- Specific Learning Objectives:

By the end of the course, students will:

1. Be able to use analytical tools to balance risk and return in specific situations associated with business portfolio management.
2. Be able to use analytical tools to balance risk and return in specific situations associated with trade portfolio management.
3. Be able to use analytical tools to balance risk and return in specific situations associated with investment.
4. Understand real option theory and use the theory in capital budgeting decisions, along with other portfolio management decisions.
5. Enumerate the steps involved in the portfolio management process, the types of investment objectives and constraints, and the significance of the investment policy statement.
6. Discuss the factors that affect the strategic asset allocation decision, including expectations, investment policy, and the investors' time horizon.
7. Apply the mean-variance approach to portfolio formation.
8. Explain how correlation and the number of assets determine the benefits of diversification.
9. Critically evaluate and apply the capital asset pricing model (CAPM), multifactor asset pricing models, and the international CAPM.
10. Compare and contrast the major types of security-market indexes and their practical application.
11. Apply the Treynor-Black model for portfolio optimization through security selection.
12. Evaluate capital market efficiency and discuss its implications for portfolio managers.
13. Describe global tax regimes and their link to investment risk portfolio optimization and asset location

14. Describe the relationship between returns on domestic and international investments and its implications for diversification.
15. Conduct a valuation of domestic and foreign equity markets as well as industry segments for portfolio allocation.
16. Compare and contrast the elements of passive versus active and growth-oriented versus value-oriented investment strategies.
17. Discuss the Integrated, Strategic, Tactical, and Insured asset allocation strategies, and relate strategy choice to objectives, constraints and expectations.
18. Identify and apply various passive and active bond portfolio management strategies.
19. Employ derivative contracts to restructure cash flow patterns and manipulate the risk of existing portfolios.
20. Apply several evaluative methods such as the Treynor, Sharpe, Jensen, and Fama portfolio performance measures.
21. Describe the necessary characteristics of benchmarks, and discuss the meaning and implication of benchmark error.
22. Compute return on equity and disaggregate it into components of operating and non-operating returns.
23. Describe accounting for property, plant, and equipment.
24. Describe the accounting for current and long-term operating and non-operating liabilities (.
25. Apply operating leverage ratio to assess opportunities for profit and the risks of loss.
26. Distinguish between relevant and irrelevant revenues and costs.
27. Explain transfer pricing.

III. Course Materials

Potential Textbooks:

The Art of Asset Allocation: Principles and Investment Strategies for Any Market, Second Edition

David H Darst, FLORIDA STATE UNIVERSITY

Hardcover, 400 pages©2008,

ISBN-13 9780071592949

Asset Allocation

Roger C. Gibson Hardcover, 336 pages

©2008, ISBN-13 9780071478090

IV. Faculty Expectations of Students/Course Policies

- Statement on Accommodations for students with disabilities:

Western Carolina University is committed to providing equal educational opportunities for students with documented disabilities. Students who require disability services or reasonable accommodations must identify themselves as having a disability and provide current diagnostic documentation to Disability Services. All information is confidential. Please contact Disability Services for more information at (828) 227-2716 or 144 Killian Annex.

- Statement on Academic Integrity (including plagiarism):

Academic Honesty Policy

Western Carolina University, as a community of scholarship, is also a community of honor. Faculty, staff, administrators, and students work together to achieve the highest standards of honesty and integrity. Academic dishonesty is a serious offense at Western Carolina University because it threatens the quality of scholarship and defrauds those who depend on knowledge and integrity. Academic dishonesty includes:

- a. **Cheating**—Intentionally using or attempting to use unauthorized materials, information, or study aids in any academic exercise.
- b. **Fabrication**—Intentional falsification of information or citation in an academic exercise.
- c. **Plagiarism**—Intentionally or knowingly representing the words or ideas of someone else as one's

or attempting to help someone else to commit an act of academic dishonesty, such as knowingly allowing another to copy information during an examination or other academic exercise.

Instructors have the right to determine the appropriate sanction or sanctions for academic dishonesty within their courses up to and including a final grade of “F” in the course. Within 5 calendar days of the event the instructor will inform his/her department head, and the Associate Dean of the Graduate School when the student is a graduate student, in writing of the academic dishonesty charge and sanction.

Please refer to the graduate catalog for specific procedures.

- Attendance Policy

Students are expected to attend all classes. Group meetings and meetings with outside organizations may also be necessary. other programs

V. Grading Procedures:

	<i>Percentage of Grade Or number of points</i>	<i>Student's score</i>
Mid-Term Examination	[20%]	
Applied Project	[20%]	
Group Activities	[20%]	
Participation/Daily Quizzes	[20%]	
Final Examination	[20%]	
	100%	

Letter grades will be assigned according to the following:

Grading System

The grades which may be assigned to graduate credit courses are as follows:

Grade	Interpretation	Quality Points Per Hour	Grade	Interpretation	Quality Points Per Hour
A	Superior	4	W	Withdrawal	-
B	Good	3	AU	Audit	-
C	Passing	2	IP	Grade Pending	-
F	Failure	0	S	Satisfactory	0
I	Incomplete	-	U	Unsatisfactory	0

VIII. Tentative Course Schedule