



INVESTMENT MANAGEMENT

PROF. ABHIJEET CHANDRA

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PRE-REQUISITES : Understanding of basic statistics, economics, and financial markets (Quantitative Investment Management, Financial Institutions & Markets)

INTENDED AUDIENCE : Senior Undergraduate and Postgraduate students: Management, Economics, Finance, Commerce, Business Administration

INDUSTRY SUPPORT : Investment advisory and research firms

COURSE OUTLINE :

Investment management is one of the main finance functions for both corporations and individuals. Investor managers face situations that require understanding of quantitative tools and qualitative assessment before a decision is arrived at. This course provides a broad overview of investment management, focusing on the application of finance theory to the issues faced by portfolio managers and investors in general. Course participants shall learn about various assets that can be considered to form an investment portfolio, their valuation, and measurement of performance. At the end of the course, students are expected to be able to (a) analyze the intrinsic value of traded assets using fundamental valuation theories as well as technical analysis (b) set investment goals and accordingly construct efficient portfolios, and (c) evaluate performance of the portfolio.

ABOUT INSTRUCTOR :

Prof. Abhijeet Chandra works in corporate finance (behavioral corporate finance, asset pricing, risk management) and individual decision making (Under risk and uncertainty, personal finance, risk preferences, irrationality). The core issues that he works on are the study of behavioral dimension of investment decision-making, from both individual and institutional perspectives, and how it affects the asset prices and market mechanism. His research interests are based on the behavioral inquiries related to the emerging research area of behavioral finance which draws its ideas from various disciplines including economics, finance, psychology, sociology and related disciplines. He has also offered MOOCs on Corporate Finance, Behavioral and Personal Finance, and Fintech Primer in collaboration with online platforms.

COURSE PLAN :

Week 1: Introduction to financial markets, institutions, and assets; Investment as a process; and Investment philosophies

Week 2: Fixed income securities: Term structure of interest rates; Bonds, their valuation, pricing, yield and duration, convexity, and their inter-relationships

Week 3: Equity as an asset class: risk-return tradeoff; Valuation approaches, DCF versus multipliers; Equity investment strategies

Week 4: Pricing of equity assets: Index models; Capital asset pricing model (CAPM) and arbitrage pricing theory (APT)

Week 5: Mutual funds as investment; Advantages and disadvantages of investing in mutual funds; Hedge funds, index funds, ETFs, and other categories

Week 6: Security Analysis and portfolio management; Fundamental and technical analyses; Portfolio theory and asset allocation; Investment strategies

Week 7: New asset classes and alternative investments; Introducing new-age assets in a portfolio; Cryptocurrencies as an asset class

Week 8: Portfolio performance evaluation; Factors driving portfolio performance; Investment strategies and market timing