University of Arkansas − Fort Smith
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General Syllabus

FIN 4733 Principles of Portfolio Management

Credit Hours: 3   Lecture Hours: 3   Laboratory Hours: 0

Prerequisites: FIN 3723 Investments and admission to the College of Business or consent of
                instructor.

Effective Catalog: 2018-2019

I.   **Course Information**

        A. **Catalog Description**
        Advanced study of selecting and combining securities into a portfolio. Includes setting
        investment goals, diversification and risk reduction, capital market theory, and portfolio
        selection models. Focus is on managing risk and return. Advanced application of
        forming and managing a portfolio involving real money of the H. L. and Janelle Hembree
        Student Investment Portfolio Fund.

II.   **Student Learning Outcomes**

        A. **Subject Matter**
        Upon successful completion of the course, the student will be able to:

        1. Assess basic techniques for managing risk and return.
        2. Relate basic techniques in portfolio diversification.
        3. Apply basic techniques in portfolio selection.
        4. Construct optimal portfolios using appropriate financial theory of combining
            securities.
        5. Recommend strategies to improve the performance of the H. L. and Janelle Hembree
            Student Investment Portfolio Fund.

        B. **University Learning Outcomes**
        This course enhances student abilities in the following areas:

        Analytical Skills
        Critical Thinking Skills - Students will use critical thinking skills to identify
        problems/issues in the development of financial portfolios. Students will identify a
        problem or issue and research, evaluate, and compare information from varying sources

in order to evaluate accuracy and bias relevant to the problems/issues. Students will generate recommendations with supporting justification based on their research.

III.   Major Course Topics

    A.   Portfolio Models – Introduction
    B.   The Markowitz Model
    C.   The Sharpe Model
    D.   Efficient Portfolios with Short Sales
    E.   Efficient Portfolios without Short Sales
    F.   Estimating Betas and The Security Market Line
    G.   Introduction to Options
    H.   Binomial Option-Pricing Model
    I.   The Black-Scholes Model