
Investment Analysis and Portfolio Management

Course code: SPD3008A-07A

This Course is jointly organised by Hong Kong Securities Institute (HKSI) and School of Professional Education and Executive Development (SPEED) of The Hong Kong Polytechnic University (PolyU). It aims to provide students with a core base of financial knowledge and skills essential to analysing securities in Hong Kong. HKSI is a professional institute set up in December 1997 by a seeding grant from the Securities and Futures Commission (SFC). The **Diploma in Investment Analysis and Portfolio Management (Diploma)** will be issued by HKSI to those who have successfully passed the final examination and satisfied all course requirements. These Diploma holders can apply to the Institute for Affiliate Membership. Graduates also earn 6 Continuing Education Credits at level 3 that can be accumulated towards the Professional and Continuing Education Awards under the Credit Accumulation Mechanism (CAM) of SPEED.

This Course consists of two parts as set out below:

Part I

Foundation Studies

- Economics
 - Basic principles of micro and macro-economics
 - Market mechanism
 - Analysis of costs
 - The basic profit-maximising model of the firm
 - Market structures
 - Simple model of the economy
 - Consumption and investment
 - Fiscal policies
 - Links between money and the real economy
 - Relationship between unemployment and inflation
- Financial mathematics and statistics
 - Risk and uncertainty
 - Modelling attitudes to risk
 - Data and statistics
 - Index numbers
 - Regression and correlation
 - The mathematics of discounted cash flow analysis
- Financial accounting and interpretation of accounts
 - Generally accepted accounting principles
 - Introduction to company accounts: assets, liabilities and capital
 - Relationship between profit and loss account, balance sheet and the statement of sources and applications of funds
 - Reporting requirement
 - Auditor's statement
 - Extraordinary, exceptional and prior year items
 - Understanding the choice of accounting policies and conventions and their impact on the comparability and meaning of financial statistics as disclosed by companies
 - Techniques for interpreting corporate financial statements, reports and financial news
 - Local illustrations

Part II

Investment Analysis and Portfolio Management

- Fundamental concepts and models
 - Characteristics of financial instruments: return, types of risk, maturity and liquidity
 - Major categories of financial instruments: equities, bonds, options and futures
 - Efficiency and the Efficient Market Hypothesis
 - Technical versus fundamental analysis, and their limitations
 - Asset Pricing Models: Capital Asset Pricing Models, Arbitrage Pricing Models, and Factor Models
 - Empirical evidence of these models in Hong Kong
 - Diversification and portfolio theory
- Analysis of equities
 - Analysis of dividends and earnings
 - Price to Earnings (P/E) ratio: uses and forecasting
 - Financial economics of Equities
 - Techniques for industry and company analysis
 - Using electronic spreadsheets for financial analysis
 - Stock Indices and Hang Seng Index Futures and Options
 - Issues related to mergers and takeovers
- Analysis of fixed income securities
 - General characteristics and concepts
 - Yield Curve Theories
 - Risks and prediction of default
 - Ratings
 - Trading strategies: active versus passive, short versus long term
- Derivative products: Warrants, Options and Futures
 - Basic concepts and instruments
 - Risk identification and management
 - Mechanics of derivative markets and control
 - Fundamental knowledge of various products and market participants
 - Pricing theories and trading strategies
 - Equity and commodity markets
 - Currency and interest rate markets
- Portfolio management
 - Investor objectives
 - Active versus passive management strategies
 - Strategic asset allocation and security selection
 - Rebalancing strategies
 - Tactical asset allocation
 - The monitoring and evaluation of portfolio performance
 - Unit trusts and mutual funds
 - Case studies
- Investment regulations
 - The regulatory and legal framework of the securities industry in Hong Kong
 - Introduction to the registered company
 - Officers and management of the company and market misconduct
 - Listing of a company's securities
 - Acquisition of company's own shares
 - Amalgamation, reconstruction and takeover
 - Unit Trusts
 - Roles of the SFC and The Hong Kong Exchanges and Clearing Ltd.

The Hong Kong Securities Institute and the School of Professional Education and Executive Development reserve the right to amend the content.

Duration

The course includes 40 sessions, for a total of 100 hours.

Dates & Time

Course Code : SPD3008A-07A
Date : 8 October 2007 – 8 September 2008
Day : Mondays (no classes on public holidays)
Time : 7:00 pm – 9:30 pm

Venue

The Hong Kong Polytechnic University Campus(es).

Medium of Instruction

English

Assessment and Examination

To be eligible for the award of Diploma from HKSI, candidates must have successfully passed the final examination consisting of two papers that meet the standards stipulated by HKSI.

The School of Professional Education and Executive Development will also issue a Certification indicating the number of Continuing Education Credits earned by those who have successfully completed this course.

Tuition Fee

\$15,000

Tuition Fee also Covers

A full set of study guides and a textbook. Participants are eligible to apply for CAM student identity card which enable them to access to PolyU's library during study.

Application Form and Enquiries

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Closing Date for Application

15 September 2007