Title:	**Portfolio Theory**
Lecture hours:	30
Study period: (summer/winter)	winter or summer
Number of credits:	4
Assessment methods:	written test
Language of instruction:	English
Prerequisites:	Probability and Linear Algebra
Course content:	**Static portfolio choice** **1.** Expected return of portfolio. 2. Utility theory and choice of portfolio. **Market equilibrium models** **1.** One- and two-period equilibrium models. **2.** Capital asset pricing model (CAPM). **3.** Arbitrage pricing theory (APT). **4.** Options pricing. Futures contract pricing.
Learning outcomes:	Students should describe various methods of choice of an optimal portfolio (with or without a risk-free asset) and basic methods of asset pricing (CAPM, APT), and formulate fundamental theorems with proofs. Students should be able to: compare portfolios with maximizing their utility, price assets using basic equilibrium models.
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Literature:	Edwin J. Elton et al., Modern Portfolio Theory and Investment Analysis