



KTH Engineering Sciences

Course SF2942 Portfolio theory and risk management

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Course web page: <http://www.math.kth.se/matstat/gru/sf2942/>

Course literature:

1. Risk and Portfolio Analysis: Principles and Methods, H. Hult, F. Lindskog, O. Hammarlid, and C.-J. Rehn. Springer Series in Operations Research and Financial Engineering, Springer Verlag, 2012. ISBN 978-1-4614-4102-1. *The course is based on Part I, Chapters 1-6, of the book.*

Examination: There will be a written exam on Friday Oct 19, 14:00-19:00. **Registration for the exam is compulsory.** You can register at MyPages. Grades are based on the final exam and given in the range A-F, and Fx. The grade Fx gives you the right to a complementary examination to reach the grade E. The criteria for Fx is F and that an isolated part of the course can be identified where you have shown particular lack of knowledge and that the examination after a complementary examination on this part can give the grade E.

Lectures: There will be three types of lectures listed in the detailed plan for the course. At *Theory Sessions* the basic theory will be presented. Not all topics will be covered in the lectures so additional reading is required. At *Example Sessions* some particularly relevant examples and applications will be highlighted. At *Problem Sessions* (held by the TA) the exercises at the end of each chapter will be discussed.

Projects: Each chapter of the book ends with one or several projects; labelled Project 1-6. The projects are intended as open ended exercises suitable for deeper investigation of some selected topics. Participation in the projects is voluntary and not a requirement. Full participation in the projects can give up to 5 bonus points for the final exam. To obtain the bonus points the following criteria must be met:

- You must sign up for participation on the project list available at the lectures by **September 6, 2012**.
- You will be randomly assigned to a project group that will work on **one** of the projects.
- You must work actively on the project together with the other group members and be prepared to account for your own and other group members' contribution.
- You must, together with your project group, prepare a 20 min oral presentation of your project.
- You must participate in the oral presentation of the project and be prepared to answer questions. The project presentations will take place on **October 9, 10, and 11, 2012**.