



[Summary]

Portfolio Theory (Part - 1)

Subject:	Business Economics
Course:	B. A. (Hons.), 5 th Semester, Undergraduate
Paper No. & Title:	Paper – 511 Investment Management
Unit No. & Title:	Unit – 3 Portfolio Theory
Lecture No. & Title:	Lecture – 1 Portfolio Theory (Part - 1)

Summary:

In this session we learnt about the concepts of portfolio theory. Basically it is a risk driven theory, which helps the investor maximize his returns. The session also explained as to how to manage the portfolio of investments to achieve a specific financial goal. All the factors that need to be considered while selecting a security were also described. Diversification is the strategy used by majority investors and hence the technical aspects of the same were discussed. The said strategy would prove to be successful when concepts of beta coefficient, correlation and covariance are considered. The session also clarified the usage of these measures for portfolio management with the help of a few illustrations and interpretation of the results.