Course: Investment Analysis *Instructor: Prof. Elias Tzavalis*

Aims and objectives

The aim of this course is to introduce students to the modern tools of investment analysis under certainty and uncertainty. In particular, under the case of certainty it provides the following basic tools of investment decision making: Present Value, Net Present value, the calculation of net cash flows and the cost of capital (WACC), the Choice of investments under different scale and project duration, the Present value Index etc. Next, it introduces the students to the investment decision making under uncertainty and it presents the concepts of risk aversion, expected utility, the risk and the risk-aversion coefficients as well as the mean-variance preferences. In its third part, the course presents the mean-variance techniques of portfolio risk management and studies a number of efficient portfolios analytically derived, such as the Global minimum variance portfolio, the tangency and the market portfolio and defines the market price of risk and premium. It also teaches the two fund separation theorem. Finally, it presents the Capital Asset Pricing Model (CAPM) and gives some of its most important application in corporate finance capital budgeting.

Course outline and reading list

In Greek (compulsory):

- ΕΠΕΝΔΥΣΕΙΣ, Η. Τζαβαλής & Α. Πετραλιάς, Εκδόσεις ΟΠΑ, 2009
- ΕΠΕΝΔΥΣΕΙΣ: Ασκήσεις (βοήθημα), Α. Πετραλιάς & Η. Τζαβαλής, Εκδόσεις ΟΠΑ, 2009

In English (optional):

- Copeland T., Weston J and K. Shastri (2005), Financial Theory and corporate policy
- Bodie Z., A. Kane and A. Marcus (2001), Essentials of Investments