

Personal Capital Management

6 module, 2018-2019 academic year

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Course description

The main goal of this systematization course is: using complex financial materials to contribute to further development some of the key skills essential for successful career in modern complex highly dynamic financial world, such as critical thinking and analytical skills, curiosity and readiness to new challenges, willingness to act and team working.

As the finance materials are considered from the capital owner perspectives, the course is particularly important for those who plan to work in asset management of private clients' or companies' wealth.

Students improve their understanding in multiple asset class portfolio management and psychological phenomena influencing people's financial decision-making. Several methods to cope with such phenomena will be developed.

Course requirements, grading, and attendance policies

Course prerequisites –introduction in finance and basics of portfolio management.

Attendance policy – to the instructor's knowledge, no slides exist that alone could improve critical thinking ability. Course slides do not replace class room and play only supportive role.

In order to benefit from the course it is highly recommended not only to attend all sessions but also to try be on time every day.

Grading policy = $0.7*HA + 0.3*FE$ (HA – group home assignments; FE- final exam).

Course contents

- 1.Introduction. The differences of the private portfolio. Overview of asset classes. Criteria for comparison. Two main illusions about investing. Risk profile.
2. Investing as insurance. Fixed income, Real Estate etc.
3. Investing as investing and playing. Equity, Derivates etc.
4. Financial industry as the main counterpart in investing process. Business-model of various financial institutions.
5. Investing in own business and investing in own career.
6. Psychology and finance. How our nature influences our investment decision making and what to do about it. Part I.
7. Psychology and finance. How our nature influences our investment decision making and what to do about it. Part II.

Description of course methodology

Most class discussions are based on the brief real-life case. Regular class tests and home assignments are essential for the preparation. Regarding improving critical thinking ability, the most effective method is provocation and reflection during class discussions.

Course materials

Required textbooks and materials

It is highly advisable to have notebooks in order to search information in internet, to build Excel tables, and to pass the class tests.

Literature:

1. S. Lucas «Wealth»;
2. Р. Талер «Новая поведенческая экономика»;
3. Д. Канеман «Думай медленно... решай быстро»;
4. Н. Талеб «О секретах устойчивости».

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.