



UNIVERSITY OF  
**BATH**

MSc Economics & Finance

Department of Economics

# ES50106 – Financial investment management

## Coursework instructions

### The tasks

Complete a report covering the following three tasks:

1. Using components of an appropriate stock index of your choice, determine the optimal risky portfolio using the components of your chosen stock index. Carefully consider whether the results you obtain are realistically achievable for a private investor of moderate total wealth.
2. Based on your index from task 1, if you had to restrict your investment to 5 stocks, how would you choose them? Compare your selection of 5 stocks to the optimal risky portfolio from task 1.
3. Critically discuss other factors that might affect your portfolio choice, but which you have not included in your analysis above.

In all cases, any choices you make have to be fully justified and explanations for the results you report be offered. You do not have to address these tasks separately, but can combine them into a single report, ensuring all tasks are addressed appropriately.

### Submission of the report

Students work in groups of 3-5 students, which they assemble themselves. The unit convenor reserves the right to alter the group composition to ensure all students are a member of a suitable group.

The submission deadline is **Monday, 13 November 2023 at 11am** and your report must not exceed 2500 words (including footnotes, but excluding the bibliography, tables, cover page, table of contents and appendices). Submission must be made to Moodle by the deadline indicated above.