

## Quantitative Investment Analysis. 2nd Edition. CFA Institute Investment Series

Description: Praise for Quantitative Investment Analysis, Second Edition

"Quantitative Investment Analysis is an essential book for any serious investor in today's financial markets. Cogently written, the authors cover a robust array of quantitative methods in a straightforward and digestible style. This book should be on everyone's short list of necessary reading and reference."

Gary P. Brinson, CFA, President, GP Brinson Investments

"This second Edition of Quantitative Investment Analysis provides a strong foundation for investment practitioners seeking benefit from the rigor and discipline of quantitative tools and analysis. An abundance of examples enhances the value of this essential text for non-classroom pedagogy."

Brian Singer, CFA, UBS Global Asset Management

"Quantitative Investment Analysis gets to the heart of the matter. Crisp, well-written, and technically thorough, this book provides an excellent foundation for understanding the statistics and economics of portfolio management and asset pricing. It also provides a thorough review of the major asset pricing models widely used today."

David Blackwell, Head and RepublicBank/James W. Aston Professor of Finance, Mays Business School, Texas A&M University

Contents: Foreword xiii

Acknowledgments xvii

Introduction xix

CHAPTER 1 The Time Value of Money 1

1 Introduction 1

2 Interest Rates: Interpretation 1

3 The Future Value of a Single Cash Flow 3

4 The Future Value of a Series of Cash Flows 13

5 The Present Value of a Single Cash Flow 15

6 The Present Value of a Series of Cash Flows 19

7 Solving for Rates, Number of Periods, or Size of Annuity Payments 27

CHAPTER 2 Discounted Cash Flow Applications 39

1 Introduction 39

2 Net Present Value and Internal Rate of Return 39

3 Portfolio Return Measurement 47

34 Money Market Yields 54

CHAPTER 3 Statistical Concepts and Market Returns 61

1 Introduction	61
2 Some Fundamental Concepts	61
3 Summarizing Data Using Frequency Distributions	65
4 The Graphic Presentation of Data	72
5 Measures of Central Tendency	76
6 Other Measures of Location: Quantiles	94
7 Measures of Dispersion	100
8 Symmetry and Skewness in Return Distributions	118
9 Kurtosis in Return Distributions	123
10 Using Geometric and Arithmetic Means	127
CHAPTER 4 Probability Concepts	129
1 Introduction	129
2 Probability, Expected Value, and Variance	129
3 Portfolio Expected Return and Variance of Return	152
4 Topics in Probability	161
CHAPTER 5 Common Probability Distributions	171
1 Introduction	171
2 Discrete Random Variables	171
3 Continuous Random Variables	185
4 Monte Carlo Simulation	206
CHAPTER 6 Sampling and Estimation	215
1 Introduction	215
2 Sampling	215
3 Distribution of the Sample Mean	221
4 Point and Interval Estimates of the Population Mean	225
5 More on Sampling	235
CHAPTER 7 Hypothesis Testing	243
1 Introduction	243
2 Hypothesis Testing	244
3 Hypothesis Tests Concerning the Mean	253
4 Hypothesis Tests Concerning Variance	269
5 Other Issues: Nonparametric Inference	275

## CHAPTER 8 Correlation and Regression 281

1 Introduction 281

2 Correlation Analysis 281

3 Linear Regression 300

## CHAPTER 9 Multiple Regression and Issues in Regression Analysis 325

1 Introduction 325

2 Multiple Linear Regression 325

3 Using Dummy Variables in Regressions 341

4 Violations of Regression Assumptions 345

5 Model Specification and Errors in Specification 359

6 Models with Qualitative Dependent Variables 372

## CHAPTER 10 Time-Series Analysis 375

1 Introduction 375

2 Challenges of Working with Time Series 375

3 Trend Models 377

4 Autoregressive (AR) Time-Series Models 386

5 Random Walks and Unit Roots 399

6 Moving-Average Time-Series Models 407

7 Seasonality in Time-Series Models 412

8 Autoregressive Moving-Average Models 416

9 Autoregressive Conditional Heteroskedasticity Models 417

10 Regressions with More than One Time Series 420

11 Other Issues in Time Series 424

12 Suggested Steps in Time-Series Forecasting 425

## CHAPTER 11 Portfolio Concepts 429

1 Introduction 429

2 Mean Variance Analysis 429

3 Practical Issues in Mean Variance Analysis 464

4 Multifactor Models 473

Appendices 511

References 521

Glossary 527

About the CFA Program 541

About the Authors 543

Index 545

Ordering:

Order Online - <http://www.researchandmarkets.com/reports/2242340/>

Order by Fax - using the form below

Order by Post - print the order form below and send to

Research and Markets,  
Guinness Centre,  
Taylors Lane,  
Dublin 8,  
Ireland.



## Fax Order Form

To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit

<http://www.researchandmarkets.com/contact/>

## Order Information

Please verify that the product information is correct.

Product Name: Quantitative Investment Analysis. 2nd Edition. CFA Institute Investment Series  
Web Address: <http://www.researchandmarkets.com/reports/2242340/>  
Office Code: SC9D4D73

## Product Format

Please select the product format and quantity you require:

### Quantity

Hard Copy (Hard ☐ Back): ☐ USD 91 + USD 28 Shipping/Handling

\* Shipping/Handling is only charged once per order.

## Contact Information

Please enter all the information below in **BLOCK CAPITALS**

Title: Mr ☐ Mrs ☐ Dr ☐ Miss ☐ Ms ☐ Prof ☐

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Email Address: \* \_\_\_\_\_

Job Title: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Postal / Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

\* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)

**Payment Information**

Please indicate the payment method you would like to use by selecting the appropriate box.

☐ Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

☐ Pay by check: Please post the check, accompanied by this form, to:  
  
Research and Markets,  
Guinness Center,  
Taylors Lane,  
Dublin 8,  
Ireland.

☐ Pay by wire transfer: Please transfer funds to:

Account number	833 130 83
Sort code	98-53-30
Swift code	ULSBIE2D
IBAN number	IE78ULSB98533083313083
Bank Address	Ulster Bank, 27-35 Main Street, Blackrock, Co. Dublin, Ireland.

If you have a Marketing Code please enter it below:

Marketing Code: \_\_\_\_\_

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at <http://www.researchandmarkets.com/info/terms.asp>

Please fax this form to:

(646) 607-1907 or (646) 964-6609 - From USA

+353-1-481-1716 or +353-1-653-1571 - From Rest of World