

## **FIN357e Fixed Income Securities**

**Level:** 3

**Credit Units:** 5 Credit Units

**Language:** ENGLISH

**Presentation Pattern:** EVERY JULY

**E-Learning:** BLENDED - Learning is done MAINLY online using interactive study materials in Canvas. Students receive guidance and support from online instructors via discussion forums and emails. This is supplemented with SOME face-to-face sessions. If the course has an exam component, this will be administered on-campus.

### **Synopsis:**

Fixed income securities account for an overwhelming majority of securities issued globally. The major players in markets for fixed income securities are governments, financial institutions and large corporations. The growth of insurance companies, pension funds, and mutual funds, including money market funds, has given a further boost to the demand for fixed income securities. This course provides an overview of fixed income securities valuation techniques. It discusses the risks associated with these investments, and provides an introduction to the process of constructing a portfolio of fixed income securities.

### **Topics:**

- Introduction to Fixed Income Securities; Risks associated with investing in bonds; Major bond types and their characteristics
- Understanding Yield Spreads; Valuation of Bonds; Yield Measures, Spot Rates and Forward Rates
- Measurement of Interest Rate Risk; Term Structure and volatility of interest rates
- Principles of Credit Analysis; Valuing Bonds with Embedded Options
- Mortgage-Backed Securities; Asset-Backed Securities
- Valuing Mortgage-backed and Asset-backed Securities; Bond Portfolio Management

### **Textbooks:**

Barbara S. Petitt, Jerald E. Pinto, Wendy L. Pirie, Bob Koprach: Fixed Income Analysis, CFA Institute Investment Series John Wiley & Sons  
ISBN-13: 9781119029762

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**Learning Outcome:**

- Identify and assess the risks associated with fixed income securities
- Analyse methodologies to value fixed income securities
- Construct fixed income portfolios and apply portfolio management
- Develop strategies to immunise portfolios from interest rate risk
- Value fixed income securities
- Demonstrate the essential knowledge and interpersonal skills to work effectively in a team
- Demonstrate proficiency in writing

<b>Continuous Assessment Component</b>	<b>Weightage (%)</b>
PRE-COURSE QUIZ	2
PRE-COURSE QUIZ	2
PRE-COURSE QUIZ	2
TUTOR-MARKED ASSIGNMENT	38
PARTICIPATION	6
<b>Sub-Total</b>	<b>50</b>

<b>Examinable Component</b>	<b>Weightage (%)</b>
Written Exam	50
<b>Sub-Total</b>	<b>50</b>

**Weightage Total** **100**