1. **General Information:**
   Units: 3 credits
   Prerequisites: FIN 350.
   SCO prepared by: Professor Peter Ammermann
   Date Prepared: March 2016

2. **Catalog Description:**
   The course analyzes fixed income securities, option embedded fixed income securities and interest rate derivatives. Usual duration and convexity analysis, and the interest rate stochastic processes and other forecasting techniques will be studied. New breeds of fixed income securities, various collateralized bond obligations and other asset backed securities, and interest rate arbitrage techniques will be introduced.
   Letter grade only (A-F).

3. **Curriculum Justification:**
   The course is aligned with the CBA learning goals of critical thinking, business functions, quantitative and technical skills.

4. **Course Objectives:**
   Skill- and content-specific goals of this course include:

   **Critical Thinking:**
   Students must be able to understand and integrate various term structure and other bond-pricing theories and to understand the real-world implications of these theories.

   **Business Functions:**
   Students will understand the interaction between the corporation’s financial health, the credit ratings on its debt securities, and its cost of debt capital.

   **Quantitative and Technical Skills:**
   Students will possess quantitative and technical skills related to calculating various measures of yield and risks related to fixed-income securities, including various measures of duration and of convexity.

5. **Outline of Subject Matter:**
   Topics to be covered in this class typically include:

<table>
<thead>
<tr>
<th>Topics</th>
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<tbody>
<tr>
<td>1 Introduction to Bonds</td>
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<tr>
<td>2 Features of Debt Securities</td>
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<tr>
<td>3 Risks Associated with Investing in Bonds</td>
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<tr>
<td>4 Brief Intro. to Mortgage-Backed Securities (Strong, PIM)</td>
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6. **Methods of Instruction:**

Recommended Textbooks:

Required Texts include the following or their equivalent:

1. “Fixed Income Analysis, 2nd Ed.,” by Frank J. Fabozzi, CFA, Wiley
2. “Fixed Income Analysis Workbook, 2nd Ed.,” by Frank J. Fabozzi, CFA, Wiley

These may be supplemented with fixed-income-related material from other upper-level Investments textbooks.

7. **Instructional Policies:**

Instructors may specify their own policies with regard to grading, class-room behavior, make-up exam, withdrawal, academic integrity, absences, etc., as long as these policies are consistent with the University policies.

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current University Catalog. It will be assumed that the students will adhere to the tenets of academic integrity as articulated in Dean’s Letter on Academic Integrity throughout this course.

**Students with Disabilities:** Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.