

NANYANG TECHNOLOGICAL UNIVERSITY
NANYANG BUSINESS SCHOOL

BF3202 Fixed Income Securities

A) Course Aims/Description

By the end of this course, you should be able to:

This course aims to support you to:

1. Price a wide range of fixed income securities
2. Understand the structure of different fixed income securities
3. Learn how to manage the risks of fixed income securities

This class is targeted at finance majors and students in closely related disciplines who are interested in learning about fixed income securities and pursuing a career in fields such as asset management, wealth management, insurance, and banking.

B) Intended Learning Outcomes (ILO)/Objectives

By the end of this course, you should be able to:

1. Describe the structures of different fixed income securities and explain the reasons for the different structures
2. Price a wide variety of fixed income securities using no-arbitrage principles
3. Analyze the risks of various fixed income securities and apply risk management techniques
4. Evaluate specific situations in the fixed income market and recommend a course of action

C) Course Content

This course covers bond pricing and yields; duration and convexity; convertible bonds; callable bonds; asset-liability matching; term structure, spot rates, and forward rates; credit risk; pricing interest rate derivatives; swaps and credit default swaps; mortgage and asset backed securities

D) Assessment (includes both continuous and summative assessment)

Component	Weightage	Team/Individual
1. Final Examination	50%	Individual
2. Homework	25%	Individual
3. Case Study Project - (written report and class discussion)	25%	Team
Total	100%	

E) Planned Weekly Schedule

Week	Topic
1	Introduction to fixed income securities
2	Pricing and yields; Repurchase agreements
3	Duration and convexity
4	Bond portfolio management and asset-liability matching
5	The term structure, spot rates, and forward rates
6	Credit risk
7	Valuing bonds with embedded options
8	Recess Week
9	Interest rate derivatives

10	Swaps and credit default swaps
11	Convertible bonds
12	Mortgage backed securities
13	Good Friday Holiday
14	Mortgage backed securities & asset backed securities