



## Course Specifications

<b>Course Title:</b>	<b>Fixed Income Securities</b>
<b>Course Code:</b>	<b>FIN365</b>
<b>Program:</b>	<b>BS in Finance</b>
<b>Department:</b>	<b>Finance</b>
<b>College:</b>	<b>College of Business Administration (CBA)</b>
<b>Institution:</b>	<b>Prince Sultan University</b>

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## A. Course Identification

<b>1. Credit hours:</b> 3
<b>2. Course type</b>
a. University <input type="checkbox"/> College <input type="checkbox"/> Department <input checked="" type="checkbox"/> Others <input type="checkbox"/>
b. Required <input type="checkbox"/> Elective <input checked="" type="checkbox"/>
<b>3. Level/year at which this course is offered:</b> 3
<b>4. Pre-requisites for this course (if any):</b> FIN301
<b>5. Co-requisites for this course (if any):</b> NA

### 6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	45	%100
2	Blended		
3	E-learning		
4	Distance learning		
5	Other		

### 7. Contact Hours (based on academic semester)

No	Activity	Contact Hours
1	Lecture	45
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	<b>Total</b>	45

## B. Course Objectives and Learning Outcomes

### 1. Course Description

This course examines the market for and the price/yield determinants of various fixed income securities, including sovereign debt, corporate bonds, agency debt, mortgages and asset-backed securities. Theories, models, quantitative methods and their applications in fixed-income markets will be emphasized. Topics include securitization, the term structure of interest rates and portfolio management strategies, such as duration, convexity, immunization and analysis of interest rate derivatives such as futures, options, swaps, caps, and floors.

### 2. Course Main Objective

Having read this course, the students are expected to understand the framework in which to view fixed income assets and to examine new ideas, concepts, and instruments as they evolve in the future. The content consists of a mix of descriptive material, analytical models, and model applications. Topics such as valuation of bonds and fixed income derivatives, as well as interest rate risk management should equip students with tools for fixed income analysis. On the successful completion of this course, students should achieve all of the course learning outcomes (CLOs).



### 3. Course Learning Outcomes

CLOs		Aligned PLOs
<b>1</b>	<b>Knowledge and Understanding</b>	
1.1	<b>CLO 1:</b> Describe alternative fixed income securities, including sovereign debt, corporate bonds, agency debt, mortgages, and asset-backed securities.	PLO1
1.2	<b>CLO 2:</b> Describe the market for fixed income securities, as well as the basic price/yield relationship.	PLO1
<b>2</b>	<b>Skills :</b>	
2.1	<b>CLO 3:</b> Examine portfolio management strategies that involve duration, convexity, and immunization.	PLO2
2.2	<b>CLO 4:</b> Understand and integrate various term structure and other bond-pricing theories and to understand the real-world implications of these theories.	PLO2
2.3	<b>CLO 5:</b> Demonstrate ability to use a combination of the oral and written communication skills.	PLO4a,b
<b>3</b>	<b>Values:</b>	
3.1	<b>CLO 6:</b> Work in teams on preparation and presentation of group projects on fixed income securities.	PLO5a
3.2	<b>CLO 7:</b> Evaluate and discuss challenges related to ethical and professional behavior in fixed income markets.	PLO5b

### C. Course Content

No	List of Topics	Contact Hours
1	<b>Overview of Fixed Income Securities (Chapter 1)</b>	3
2	<b>Pricing of Fixed Income Securities ( Chapter 2)</b>	3
3	<b>Returns and Yields (Chapter 3)</b>	3
4	<b>Fixed Income Risk and Return ( Chapter 4)</b>	3
5	<b>Term Structure of Interest Rates ( Chapter 5)</b>	3
6	<b>Corporate Debt Instruments ( Chapter 7)</b>	3
7	<b>Global Bond Markets (Chapter 9)</b>	3
8	<b>Residential Mortgage Loans and Mortgage-backed Securities (Chapters 10 &amp; 11)</b>	3
9	<b>Asset-Backed Securities (Chapter 15)</b>	3
10	<b>General Principles of Credit Analysis &amp; Credit Risk Modeling (Chapters 21, 22 &amp; 23)</b>	6
11	<b>Portfolio Management Strategies (Chapter 24)</b>	3
12	<b>Interest-Rate Derivatives: Futures, Options, Swaps, Caps, and Floors (Chapter 29, 30 &amp; 31)</b>	6
13	<b>Presentation and Revision</b>	3
<b>Total</b>		<b>45</b>



## D. Teaching and Assessment

### 1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
<b>1.0</b>	<b>Knowledge and Understanding</b>		
1.1	<b>CLO 1:</b> Describe alternative fixed income securities, including sovereign debt, corporate bonds, agency debt, mortgages, and asset-backed securities.	Lecture and solving problem using white board and presentation	Quizzes, major and final exams, individual assignments and class participation.
1.2	<b>CLO 2:</b> Describe the market for fixed income securities, as well as the basic price/yield relationship.	Lecture presentation, class discussions and case studies.	Quizzes, major and final exams, individual assignments and class participation.
<b>2.0</b>	<b>Skills :</b>		
2.1	<b>CLO 3:</b> Examine portfolio management strategies that involve duration, convexity, and immunization.	Lecture presentation, class discussions, problem solving and case studies.	Quizzes, major and final exams, individual assignments and class participation.
2.2	<b>CLO 4:</b> Understand and integrate various term structure and other bond-pricing theories and to understand the real-world implications of these theories.	Lecture and solving problem using white board and presentation	Quizzes, major and final exams, individual assignments and class participation.
2.3	<b>CLO 5:</b> Demonstrate ability to use combination of the oral and written communication skills.	Lecture presentation, engage students during class discussions, giving written assignments and case studies.	Major and final exams, individual assignments, group projects papers and presentations, and class participation.
<b>3.0</b>	<b>Values:</b>		
3.1	<b>CLO 6:</b> Work in teams on preparation and presentation of group projects on fixed income securities.	Engage students in team discussion during class discussions, and assign group projects and presentations.	Group projects papers and presentations, and class participation in teams.
3.2	<b>CLO 7:</b> Evaluate and discuss challenges related to ethical and professional behavior in fixed income markets.	Lecture presentation, engage students during case studies and class discussions, and give written assignments.	Major and final exams, individual assignments, group projects papers and presentations, and class participation.

### 2. Assessment Tasks for Students

#	*Assessment task	Week Due	Percentage of Total Assessment Score
1	Group Project	Week 13	15%
2	Assignment/Participation	On going	5%
3	Quiz 1	Week 4	5%



#	*Assessment task	Week Due	Percentage of Total Assessment Score
4	Quiz 2	Week 10	5%
5	Major Exam 1	Week 8	15%
6	Major Exam 2	Week 12	15%
7	Final Examination	Week 16	40%

\*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

## E. Student Academic Counseling and Support

Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice :

Consultation Hours: TBA

## F. Learning Resources and Facilities

### 1. Learning Resources

<b>Required Textbooks</b>	1. Fabozzi, F.J. (2016) Bond Markets, Analysis and Strategies, 9th ed., Pearson. ISBN-13: 9780133796773
<b>Essential References Materials</b>	1. Sundaresan, Fixed Income Markets and Their Derivatives, 4th ed., Academic Press, 2016. 2. Tuckman, B & A. Serrat, Fixed Income Securities: Tools for Today's Markets , 3rd ed., Wiley, 2011. 3. Veronesi, P. Fixed Income Securities: Valuation, Risk, and Risk Management, Wiley, 2010.
<b>Electronic Materials</b>	1. <a href="https://www.finra.org/">https://www.finra.org/</a> 2. <a href="https://www.treasurydirect.gov/">https://www.treasurydirect.gov/</a> 3. <a href="https://www.morningstar.com/">https://www.morningstar.com/</a> 4. <a href="https://www.bloomberg.com/">https://www.bloomberg.com/</a> 5. <a href="https://www.thefixedincome.com/">https://www.thefixedincome.com/</a>
<b>Other Learning Materials</b>	NA

### 2. Facilities Required

Item	Resources
<b>Accommodation</b> Classrooms, laboratories, demonstration) (.rooms/labs, etc	A classroom that accommodates up to 25 students and .whiteboard
<b>Technology Resources</b> AV, data show, Smart Board, software.) (.etc	Smart-board or screen, computer, and internet access
<b>Other Resources</b> Specify, e.g. if specific laboratory) equipment is required, list requirements or (attach a list	Access to Bloomberg terminal



## G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
Final Exam Questions	Assigned instructors	Moderating
Teaching assessment	Assoc. chair	Teaching observation
Student evaluation	Students	Survey questions at the end of the semester.
Course exit survey	Instructors	CLO

**Evaluation areas** (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

**Evaluators** (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

**Assessment Methods** (Direct, Indirect)

## H. Specification Approval Data

Council / Committee	
Reference No.	
Date	

