اعتماد
NCAAA

T4

2020

Course Specifications

Course Title:	**Fixed Income Securities Valuation**
Course Code:	**FIN365**
Program:	**BSc in Finance**
Department:	**Finance**
College:	**College of Business Administration**
Institution:	**Prince Sultan University**

Table of Contents

A. Course Identification

1. Credit hours:	3

2. Course type

a. University ☐ College ☐ Department ✔ Others ☐

b. Required ☐ Elective ✔

3. Level/year at which this course is offered: 3

4. Pre-requisites for this course (if any)**: FIN310**

5. Co-requisites for this course (if any)**: 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	42
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify) – Bloomberg Lab	3
	Total	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, and asset-backed securities. Theories, models, quantitative methods and their applications in fixed-income markets will be emphasized.

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 sovereign debt, corporate bonds, agency debt, and asset-backed securities 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
1	**Knowledge and Understanding:**	
1.1	**CLO 1:** Describe alternative fixed income securities, including sovereign debt, corporate bonds, agency debt, mortgages, and asset-backed securities.	PLO1
1.2	**CLO 2:** Describe the market for fixed income securities, as well as the basic price/yield relationship.	PLO1
2	**Skills:**	
2.1	**CLO 3:** Examine portfolio management strategies that involve duration, convexity, and immunization.	PLO2
2.2	**CLO 4:** Examine various term structure and other bond- pricing theories and the real-world implications of these theories.	PLO2
2.3	**CLO 5:** Demonstrate ability to use combination of the oral and written communication skills.	PLO4a, b
3	**Values:**	
3.1	**CLO 6:** Work in teams on preparation and presentation of group projects on fixed income securities.	PLO5a
3.2	**CLO 7:** 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	**Overview of Fixed Income Securities (Chapter 1)**	3
2	**Returns and Yields (Chapter 3)**	3
3	**Fixed Income Risk and Return (Chapter 4)**	6
4	**Corporate Debt Instruments (Chapter 7)**	6
5	**Global Bond Markets (Chapter 9)**	3
6	**Asset-Backed Securities (Chapter 15)**	6
7	**Corporate Bond Credit Analysis (22)**	6
8	**Credit Risk Modeling (23)**	6
9	**Presentation and Revision**	3
	Total	42

D. Teaching and Assessment

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

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.0	**Knowledge and Understanding:**		
1.1	**CLO 1:** 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.

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.2	**CLO 2:** 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.
2.0	**Skills:**		
2.1	**CLO 3:** 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	**CLO 4:** Examine various term structure and other bond- pricing theories and 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	**CLO 5:** 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.
3.0	**Values:**		
3.1	**CLO 6:** 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	**CLO 7:** 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	Assignments/ Participation	On going	5%
3	Quiz 1	Week 4	5%
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

Required Textbooks	1. Fabozzi, F.J. (2016) Bond Markets, Analysis and Strategies, 9th ed., Pearson. ISBN-13: 9780133796773
Essential References Materials	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.
Electronic Materials	1. https://www.finra.org/ 2. https://www.treasurydirect.gov/ 3. https://www.morningstar.com/ 4. https://www.bloomberg.com/ 5. https://www.thefixedincome.com/
Other Learning Materials	NA

2. Facilities Required

Item	Resources
Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)	A classroom that accommodates up to 25 students and whiteboard.
Technology Resources (AV, data show, Smart Board, software, etc.)	Smart-board or screen, computer, and internet access
Other Resources (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	Department Council
Reference No.	AY2022-23/3/221/3
Date	22/11/2022