

**ASSUMPTION UNIVERSITY
MARTIN DE TOURS SCHOOL OF MANAGEMENT AND ECONOMICS
DEPARTMENT OF FINANCE AND BANKING
COURSE OUTLINE (SEMESTER 2/2011)**

COURSE TITLE: FIN 4732 Fixed Income Securities

******* This subject is for students under the NEW Curriculum only. *******

MSM&E's Vision and Mission

VISION:

To be the leading international business school in the ASEAN region providing high quality business education to enable graduates to make invaluable contributions to organization and society.

MISSION:

To shape our students into independent-minded graduates who are well-versed in business, able to communicate effectively, tech savvy, innovative, and ethical to successfully face global challenges.

Class Time : **Tuesday, 13:45 – 17:15, MSM0702**

Prerequisite : **FIN 3701 Corporate Finance**

Lecturer : **Jiroj Buranasiri, CFA**

Textbook : Bond Markets, Analysis, and Strategies, Fifth Edition by Frank J. Fabozzi

Description:

The course discusses the valuation of debt instruments, investment strategies and risk considerations for achieving investment objectives. It expands on the techniques of market analysis and risk control development as applied to fixed income instruments.

Course Objectives:

- To be able to understand the concept of various types of securities, value securities, measure their return and understand the risk associated with them
- To understand the concept of time value of money, term structure of interest, relationship between yield and price of securities
- To make a proper strategy for portfolio management
- To be able to perform risk management

Mark Allocation* :	Assignments	15%
	Term paper and presentation	15%
	Midterm	30%
	Final	<u>40%</u>
	Total	<u>100%</u>

Note: * See also course requirements and classroom policies

Course Requirements:

Term Paper : Students in the class shall be divided into a group of four. Each group will have to summarize a fixed income investment article and present their findings to the class, not less than 30 minutes duration plus questions and answers.

Tentative Class Schedule:

Class	Outline
1	– Introduction to Fixed Income Securities
2	– Pricing of Bonds
3	– Pricing of Bonds
4	– Measuring Yields
5	– Measuring Yields – Bond Price Volatility
6	– Bond Price Volatility (Continue)
7	– Bond Price Volatility – Factors Affecting Bonds Yield and Term Structure of Interest Rates
8	– Factors Affecting Bonds Yield and Term Structure of Interest Rates
Midterm Examination: January 19, 2012 (15.00 – 17.00)	
9	– Treasury and Agency Securities Markets
10	– Corporate Debt Instruments
11	– Analysis of Bonds with Embedded Options
12	– Introduction to Securitization – Collateralized Debt Obligations
13	– Analysis of Convertible Bonds
14	– Bonds Portfolio Management
15	– Presentation and Wrap-up Review
Final Examination: March 24, 2012 (13.00 – 16.00)	

Classroom Policies:

- **Students need to comply with AU Dress Code, Time Conflict Examination Regulations, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010.**
- **Attendance policies:**
 - 2 times of ten-minute late for class considered as 1 absence.
 - Make-up classes are not allowed.
 - 80% attendance is strictly required regardless of any reason.
 - No checking attendance for other classmates. Violation of the policies will result in being automatically withdrawn from the class.
 - Attendance is counted since the first day of class regardless of any reason.
- **Manner in class:**
 - Behave in a polite manner
 - Pay respect to instructors and class participants
 - Turn off all communication devices
 - Do not leave and re-enter the classroom
 - Prohibited manners: Eating, drinking, chatting, talking on the phone, text-messaging, sleeping, reading other materials, doing other subjects' assignments/homework, walking in-out, etc.
 - Improper behavior will result in no attendance checked.
- **Dress code:**
 - Follow AU dress code
 - Improper dress code will result in no attendance checked.

- **Class assignments (Homework, reports, project, presentation, paper, etc.):**
 - No Plagiarism.
 - The students copying works from all sources will be penalized – “Zero” marks or “F” grade.
 - Hand in all class assignment on time, both soft copy and hard copy.
 - **Late submission will NOT be graded.**
- **Class participation:**
 - Be participative and attentive in class
 - The students are also required to comply with all classroom policies.
 - Violation of the classroom policies will result in “zero” or “negative” participation marks and/or no attendance checked.
- **Request for make-up quizzes (if applicable):**
 - The students requesting for the make-up quizzes need to submit their names with valid evidence (ABAC related issues only) to the respective lecturer within the specified dates.
 - Late submission will NOT be allowed to take the make-up quizzes.
- **Grade inquiry:**
 - The students can request for a review for their marks or grades.
 - The students need to submit petition to the respective Chairperson at D6 or MSM2 within 2 weeks after their marks or grades have been officially announced. Petition submitted after the specified period will NOT be considered.
 - **Reevaluation process:** The students’ class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. Please note that the students’ marks may or may not be adjusted after the reevaluation process and it is considered as a “final consensus” between the students and the committees.

**February 27, 2012 (Mon): Last day to withdraw with “W”
(Withdrawing after this date, the students need a chairperson’s approval.)**