1. **Title of the module**

BUSN7770 (CB777): Fixed Income Securities

1. **School or partner institution which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 6

1. **The number of credits and the ECTS value which the module represents**

15 credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn

1. **Prerequisite and co-requisite modules**

Prerequisites: BUSN7750 Investment Analysis

1. **The programmes of study to which the module contributes**

BSc (Hons) Finance and Investment with a Year in Industry

1. **The intended subject specific learning outcomes.
On successfully completing the module students will be able to:**
2. Demonstrate systematic understanding of the operations in money and bond markets and appraise the more recent developments in these markets.
3. Demonstrate their ability in calculation and manipulation and capability to deploy accurately established approaches to analyse similarities and differences, and solve problems in various financial areas.
4. Critically apply key aspects of Fixed Income Securities in well-defined contexts, showing judgement in the selection and application of tools and techniques.
5. Demonstrate conceptual and critical understanding of the advantages and disadvantages of financial approaches in bond valuation and structuring and managing a diversified fixed-income portfolio.
6. **The intended generic learning outcomes.
On successfully completing the module students will be able to:**

9.1 Manage their own learning and make use of appropriate resources and demonstrate the acquisition of the study skills needed for continuing professional development.

9.2 Understand and critically evaluate logical arguments, identifying the assumptions made and the conclusions drawn.

9.3 Effectively, communicate information, ideas, and solutions to both specialist and non-specialist audiences.

 9.4 Apply advanced IT skills to analyse and solve complex problems

 9.5 Work effectively and efficiently within a team

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1. **A synopsis of the curriculum**

The world of fixed-income markets is becoming increasingly more complex with debt instruments that have varied payoffs structures and fixed-income derivatives that are growing in size and complexity. As a result of the 2007-2008 global financial crisis many key players in the fixed-income markets either collapsed (Bears Stearns and Lehman Brothers), or were bailed out by governments (Freddie Mac, Fannie Mae, the Royal Bank of Scotland, Lloyds TSB, and HBOS, etc.). Hence, the aim of this module is to provide an introduction of the complex nature of fixed-income markets and securities and a discussion on the forces affecting prices and risks of such instruments. The module will also include a discussion on the appropriate management techniques to hedge the risks associated with fixed-income instruments.

This module will cover the following topics:

* Features of debt instruments and risks associated with investing in these instruments.
* Debt and money markets (participants, operations, trading activities).
* Fixed-income instruments (Government bonds, corporate bonds, credit ratings, high-yield bonds, international bonds, mortgage-backed securities, etc.).
* Money market instruments (Treasury bills, commercial paper, repurchase agreements, bills of exchange, etc.).
* Fixed-income valuation (traditional approach, arbitrage-free approach, yield measures, volatility measures).
* Term-structure of interest rates and classic theories of term structure, derivation of zero-coupon yield curve.
* General principles of credit analysis (credit scoring, credit risk modelling, etc.).
* Fixed-income portfolio construction and management strategies (portfolio’s risk profile, managing funds against a bond market index).
1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

Core Reading

* Fabozzi, F. (2013) *Bond Markets, Analysis and Strategies*, 8th Edition. London: Prentice Hall.
* Petitt, B. S., Pinto, J.E. and Pirie, W.L. (2015), *Fixed income analysis*. 3rd Edition, CFA Institute, Hoboken, NJ: John Wiley & Sons.

Recommended Reading

* Arnold, G. (2015). *FT Guide to Bond and Money Markets*. London: FT Publishing International.
* Fabozzi, F.J. (2007). *Fixed Income Analysis*. Second Edition. Hoboken, NJ: Wiley.
* Martellini, L., Priaulet, P., & Priaulet, S. (2005). *Fixed-income securities: valuation, risk management and portfolio strategies*. Hoboken, NJ: Wiley.
* Tuckman, B. and Serrat, A. (2011). *Fixed Income Securities: Tools for Today's Markets*. 3rd Edition. Hoboken, NJ: Wiley.
1. **Learning and teaching methods**

The module will be taught by lectures, seminars and private study.

Total Contact Hours: 33

Private Study Hours: 117

1. **Assessment methods**
	1. Main assessment methods

Group Written Report - (2,000 words).

Exam: Two Hours, Unseen: 70%

In order to pass the module as a whole and ensure all learning outcomes are met, students must achieve a pass mark of 40% for the group written report.

* 1. Reassessment methods

Reassessment will be 100% examination.

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** |  | *8.1* | *8.2* | *8.3* | *8.4* | *9.1* | *9.2* | *9.3* | *9.4* | *9.5* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |  |
| **Private Study** |  | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| *Lectures* |  | **x** | **x** | **x** | **x** |  | **x** | **x** |  |  |
| *Seminars* |  | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| **Assessment method** |  |  |  |  |  |  |  |  |  |  |
| Group written report (2,000 words) | *30%* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| Examination - two-hour, unseen  | *70%* | **x** | **x** | **x** | **x** |  | **x** | **x** |  |  |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered:**

Medway

1. **Internationalisation**

Internationalisation will be incorporated in the lectures notes, the course work and seminar questions covering international bond markets and instruments.

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
| 24/01/2018 | n/a | September 2021 | n/a | Yes |
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