1. **Title of the module**

BUSN8025 (CB8025) Fixed Income Markets

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 7

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)**

Spring

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

None

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

MSc Finance (Financial Markets); MSc Finance (Finance, Investment and Risk)

1. **The intended subject specific learning outcomes.  
   On successfully completing the module students will be able to:**

8.1 model and evaluate the mechanics of fixed income securities and their derivative instruments;

8.2 quantify and evaluate the various sources of risk in fixed-income markets;

8.3 implement various hedging strategies using traditional and derivative fixed income instruments;

8.4 model the term structure of interest rates;

8.5 construct alternative passive and active portfolios based on the shape of the term structure;

8.6 implement fixed income strategies using real-market data.

1. **The intended generic learning outcomes.  
   On successfully completing the module students will be able to:**

9.1 work through complex quantitative exercises;

9.2 analyse real-market data;

9.3 work in groups to complete and present empirical projects;

9.4 identify and understand current literature in the field.

1. **A synopsis of the curriculum**

This module provides a general introduction to various aspects of the fixed income market and its instruments. Indicative topics may include:

* The structure of fixed income markets, main instruments and pricing
* Introduction to the various types of interest rate curves, and interest rate arbitrage through the Law of One Price
* Modelling the term structure
* Interest rate risk: duration,-based measures of risk, the effect of convexity, multi-factor models and key rate durations
* Passive strategies, active strategies and liability-hedging through immunization
* Funding fixed income positions through the repo rate, liquidity risk and the practical limits to arbitrage
* Interest rate derivatives: forwards, futures and swaps
* Credit scoring, credit risk models, credit risk derivatives and their applications

1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

* Bruce Tuckman and Angel Serrat, 2011, Fixed Income Securities: Tools for Today's Markets, 3rd Edition, Wiley
* Moorad Choudhry, 2005, Fixed Income Securities and Derivatives Handbook: Analysis and Valuation, Bloomberg Press
* Lionel Martellini, Philippe Priaulet and Stéphane Priaulet, 2003, Fixed-Income Securities: Valuation, Risk Management and Portfolio Strategies, Wiley
* John Hull, 2011, Options, Futures and other Derivatives, 8th Edition, Prentice Hall

1. **Learning and teaching methods**

Total contact hours: 36

Private study hours: 114

Total study hours: 150

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

* Group Empirical Report (2000 words) (30%)
* Examination, 2 hour (70%).
  1. Reassessment methods

Like for Like

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | *8.1* | *8.2* | *8.3* | *8.4* | *8.5* | *8.6* | *9.1* | *9.2* | *9.3* | *9.4* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |  |
| *Private Study* | x | x | x | x | x | x | x | x | x | x |
| *Lectures* | x | x | x | x | x | x | x | x | x |  |
| *Seminars* | x | x | x | x | x | x | x | x | x |  |
| **Assessment method** |  |  |  |  |  |  |  |  |  |  |
| *Exam* | x | x | x | x | x | x | x | x |  | x |
| *Group Empirical Report* | x | x | x | x | x | x |  | x | x | x |

1. **Inclusive module design**

The School/Collaborative Partner 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**

Canterbury

1. **Internationalisation**

Finance is an international language and associated quantitative techniques will reflect this. The intended learning outcomes are applicable worldwide as part of the universal principles of Finance. With regard to subject content, the material within the syllabus has been developed for use within an international educational setting for students who will apply financial theories in a wide range of international contexts. The reading list also has references to international research. Our international teaching team is also diverse and international. Our support for students in KBS is also internationally attuned, given our international student body.

**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) |
| 09/01/2019 | Minor | January 2020 | 5, 13, 14 |  |
|  |  |  |  |  |