

333-636 Fixed Income

Credit Points:	6.250
Level:	Graduate/Postgraduate
Dates & Locations:	2008, This subject commences in the following study period/s: Semester 1, - Taught on campus. Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: 18 hours per semester (Semester 1, Semester 2) Total Time Commitment: Not available
Prerequisites:	None
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p></p>
Subject Overview:	This subject covers capital markets and money markets for fixed income securities. Topics include: fixed income analysis; capital and money market instruments; forwards and futures of interest rate securities; interest rate volatility; the term structure of interest rates; interest rate risk; inflation; swaps; callable bonds; convertible bonds; securitised products; and risk management techniques.
Assessment:	One 2-hour end-of-semester examination (70%) and assignments not exceeding 1500 words (30%).
Prescribed Texts:	None
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> # Describe the structure, purpose and operation of fixed income markets and the nature of instruments traded in these markets; # Describe the motivation and trading behaviour of market participants in fixed income markets; # Value instruments traded in money markets and bond markets; # Explain factors affecting fixed income security prices; # Explain the information content of the term structure of interest rates and calculate the zero-coupon and par yield curves; # Explain the impact of inflation, liquidity and segmentation on the term structure of interest rates; # Calculate and implement interest rate risk measures; # Evaluate interest rate risk management techniques; # Devise trading strategies in fixed income markets.

On successful completion of this subject, students should have improved the following generic skills;

- # Oral communication;
- # Written communication;
- # Collaborative learning;
- # Problem solving;
- # Team work;
- # Statistical reasoning;
- # Application of theory to practice;
- # Interpretation and analysis;
- # Critical thinking;
- # Synthesis of data and other information;
- # Evaluation of data and other information;
- # Using computer software;
- # Accessing data and other information from a range of sources.