

## FNCE90015 Fixed Income

<b>Credit Points:</b>	6.25
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	This subject is not offered in 2013.
<b>Time Commitment:</b>	Contact Hours: One 3-hour lecture per week for 6 weeks Total Time Commitment: Estimated total time commitment of 60 hours per semester
<b>Prerequisites:</b>	This subject is only available to those students that have successfully completed the Postgraduate Diploma in Finance or who have successfully completed 100 points of the Master of Finance.
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<b>Core Participation Requirements:</b>	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: <a href="http://www.services.unimelb.edu.au/disability/">http://www.services.unimelb.edu.au/disability/</a>
<b>Contact:</b>	Graduate School of Business and Economics Level 4, 198 Berkeley Street Telephone: +61 3 8344 1670 <b>Online Enquiries</b> ( <a href="https://nexus.unimelb.edu.au/OnlineEnquiryForm.aspx?campaigncode=CMP-01311-VZ8293&amp;cssurl=https://nexus.unimelb.edu.au/cssfiles/gsbe.css&amp;redirecturl=http://www.gsbe.unimelb.edu.au/contactus/nexus/gsbe.html">https://nexus.unimelb.edu.au/OnlineEnquiryForm.aspx?campaigncode=CMP-01311-VZ8293&amp;cssurl=https://nexus.unimelb.edu.au/cssfiles/gsbe.css&amp;redirecturl=http://www.gsbe.unimelb.edu.au/contactus/nexus/gsbe.html</a> ) Web: <a href="http://www.gsbe.unimelb.edu.au">www.gsbe.unimelb.edu.au</a> ( <a href="http://www.gsbe.unimelb.edu.au">http://www.gsbe.unimelb.edu.au</a> )
<b>Subject Overview:</b>	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.
<b>Objectives:</b>	On successful completion of this subject students should be able to: <ul style="list-style-type: none"> <li># Describe the structure, purpose and operation of fixed income markets and the nature of instruments traded in these markets;</li> <li># Describe the motivation and trading behaviour of market participants in fixed income markets;</li> <li># Value instruments traded in money markets and bond markets;</li> <li># Explain factors affecting fixed income security prices;</li> <li># Explain the information content of the term structure of interest rates and calculate the zero-coupon and par yield curves;</li> <li># Explain the impact of inflation, liquidity and segmentation on the term structure of interest rates;</li> <li># Calculate and implement interest rate risk measures;</li> <li># Evaluate interest rate risk management techniques;</li> <li># Devise trading strategies in fixed income markets.</li> </ul>
<b>Assessment:</b>	One 2-hour end-of-semester examination (70%) Assignments not exceeding 1500 words (30%)

<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> <li># Oral communication</li> <li># Written communication</li> <li># Collaborative learning</li> <li># Problem solving</li> <li># Team work</li> <li># Statistical reasoning</li> <li># Application of theory to practice</li> <li># Interpretation and analysis</li> <li># Critical thinking</li> <li># Synthesis of data and other information</li> <li># Evaluation of data and other information</li> <li># Using computer software</li> <li># Accessing data and other information from a range of sources</li> </ul>
<b>Related Course(s):</b>	Master of Finance