

# Capital University of Economics and Business

## Overseas Chinese College

### Course Syllabus

<b>Year and Semester</b>	2024 Fall						
<b>Course Name</b>	Fixed Income Securities						
<b>Course Code</b>	CFA306						
<b>Course Type</b>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input type="checkbox"/> Basic Disciplinary Course <input type="checkbox"/> Professional Course (Required) <input checked="" type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Professional Course (Expanded) <input type="checkbox"/> Professional Course (Advanced)						
<b>Course Credits</b>	3						
<b>Course Hours</b>	Total Hours	Class	48	Lecture Hours	48	Experiment (Computer) Hours	0
<b>Applicable object</b>	<input type="checkbox"/> Freshman <input type="checkbox"/> Sophomore <input checked="" type="checkbox"/> Junior <input type="checkbox"/> Senior						
	<input type="checkbox"/> Business Administration (Accounting)						
	<input checked="" type="checkbox"/> Information Management and Information Systems (Finance)						
<b>Prerequisites</b>	Principal of Accounting						
<b>Instructor</b>	Qian Zhang						
<b>Contact Information</b>	Office: C204						
	Tele: 83951085						
	Email: zhangqian@cueb.edu.cn						
<b>Office Hour</b>	M/T: 8:00-9:35; W: 13:30-15:05						
<b>Learning Centre</b>	M: 13:30-15:05; TH: 18:00-20:00 (Online)						
<b>Grade/Section</b>	2023 CFA						
<b>Course Time/Place</b>	W:9:55-12:20 (B112)						
<b>Textbook</b>	Schweser Notes, 2024 Level I CFA, KaplanInc.USA Book 4:Fixed Income						

#### Reference Book

1. CFA Institute, Equity and Fixed Income Investments , CFA Program Curriculum , Wiley Press , USA
2. Frank J. Fabozzi . Bond Markets , Analysis and Strategies ,9 th Edition , Renmin University Press , Beijing ,ISBN : 978-7-300-25225-4

#### Course Description

This course aims to equip students with the essential knowledge and skills of analysis and valuation of fixed income securities. It covers the fundamentals of fixed income investments. Key areas include introduction to defining elements of fixed-income securities, fixed income markets, fixed income valuation, asset-backed securities, fixed income risk and return, fundamentals of credit analysis for fixed income investments.

#### Student Learning Objectives

On successful completion of this course, students should be able to:

Knowledge	◆ Describe characteristics of fixed income securities;
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	<ul style="list-style-type: none"> <li>◆ Describe primary issuers, sectors and types of bonds;</li> <li>◆ Explain and apply market conventions for prices/yields calculation and quotation;</li> <li>◆ Explain Measures of risk for fixed income securities;</li> <li>◆ Explain the risk of asset-backed securities;</li> </ul>
Capability	<ul style="list-style-type: none"> <li>◆ Calculate and interpret prices, yields and spreads of fixed-income securities;</li> <li>◆ Calculate duration, convexity, and analyze interest rate risk;</li> <li>◆ Discuss securitization process and related risk;</li> <li>◆ Apply valuation models to evaluate fixed-income securities;</li> </ul>
Mindset	<ul style="list-style-type: none"> <li>◆ Act with integrity, respect, and in an ethical manner in the finance field;</li> <li>◆ Be independent and diligent in the investment process;</li> <li>◆ Strive to improve professional knowledge and competence;</li> <li>◆ Apply critical thinking in the process of decision making.</li> </ul>

### Website Source

1. [http:// www.sse.com.cn](http://www.sse.com.cn) Shanghai Stock Exchange
2. <http://www.szse.cn/> Shenzhen Stock Exchange
3. <https://www.hkex.com.hk/> Hong Kong Exchanges
4. <https://www.nyse.com/index> New York Stock Exchange
5. <http://www.csrc.gov.cn/pub/newsite/>  中国证券监督管理委员会  
CHINA SECURITIES REGULATORY COMMISSION
6. <https://finance.sina.com.cn/>  **sina** 新浪财经

### Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation, test and exam. Real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. There will be various interactions and real case studies in the course. This will require individual or group assignment in or after class.

### Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems, and preparation of financial statements. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 15 minutes in class.
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.

Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures. Each group need to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
<b>Total</b>	<b>100%</b>	

### **Detailed Grade Computation**

	<b>Before Midterm</b>	<b>After Midterm</b>
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Mid-Term Test	20%	
Final exam		20%
Total	40%	60%

### **Assessment of Student Performance**

#### ***☛ Self-Study and Reading ability Practice***

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

#### ***☛ Homework***

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

#### ***☛ Attendance***

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ◆ Being late for 15 minutes or more is considered an absence.
- ◆ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.
- ◆ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly.

but students are welcome to continue attending classes.

- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

### ☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

### ☞ Textbook

Students must bring the textbook to class.

### Topical Course Outline

Week	Topics	Contents	Homework
1	<ul style="list-style-type: none"> <li>● Course introduction</li> <li>● Reading 49 &amp; 50</li> </ul>	<ul style="list-style-type: none"> <li>● Syllabus</li> <li>● Course introduction</li> <li>● Reading 49 Fixed-Income Instrument Features Overview of Bond Features</li> <li>● Reading 50 Fixed-Income Cash Flows and Types Fixed-Income Cash Flows and Types</li> </ul>	Reading 49 Exercise Reading 50 Exercise
2	<ul style="list-style-type: none"> <li>● Reading 51</li> <li>● Reading 52</li> </ul>	<ul style="list-style-type: none"> <li>● Reading 51 Fixed-Income issuance and Trading Fixed-Income issuance and Trading</li> <li>● Reading 52 Fixed-Income Markets for Corporate issuers Fixed-Income Markets for Corporate issuers</li> </ul>	Reading 51 Exercise Reading 52 Exercise
3	<ul style="list-style-type: none"> <li>● Reading 52</li> <li>● Reading 53</li> </ul>	<ul style="list-style-type: none"> <li>● Reading 52 Fixed-Income Markets for Corporate issuers (Continued) Fixed-Income Markets for Corporate issuers</li> <li>● Reading 53 Fixed-Income Markets for Government Issuers Fixed-Income Markets for Government Issuers</li> </ul>	Reading 52 Exercise Reading 53 Exercise
4	<ul style="list-style-type: none"> <li>● Reading 53</li> <li>● Reading 54</li> </ul>	<ul style="list-style-type: none"> <li>● Reading 53 Fixed-Income Markets for Government Issuers (Continued) Fixed-Income Markets for Government Issuers</li> <li>● Reading 54 Fixed-Income Bond Valuation: Prices and Yields Fixed-Income Bond Valuation: Prices and Yields</li> </ul>	Reading 53 Exercise Reading 54 Exercise
5		<b>National Holiday</b>	
6	<ul style="list-style-type: none"> <li>● Quiz 1</li> <li>● Reading 55</li> </ul>	<ul style="list-style-type: none"> <li>● Quiz 1</li> <li>● Reading 55 Yield and Yield Spread Measures for Fixed Rate Bonds Yield and Yield Spread Measures for Fixed Rate Bonds</li> </ul>	Reading 55 Exercise

7	<ul style="list-style-type: none"> <li>● Reading 56</li> <li>● Reading 57</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 56 Yield and Yield Spread Measures for Floating-Rate Instruments</b> Yield and Yield Spread Measures for Floating-Rate Instruments</li> <li>● <b>Reading 57 The Term Structure of Interest Rates: Spot, Par, and Forward</b> The Term Structure of Interest Rates: Spot, Par, and Forward Curves</li> </ul>	Reading 56 Exercise Reading 57 Exercise
8	<ul style="list-style-type: none"> <li>● Reading 57</li> <li>● Reading 58</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 57 The Term Structure of Interest Rates: Spot, Par, and Forward (Continued)</b> The Term Structure of Interest Rates: Spot, Par, and Forward Curves</li> <li>● <b>Reading 58 Interest Rate Risk and Return</b> Interest Rate Risk and Return</li> </ul>	Reading 57 Exercise Reading 58 Exercise
9		<ul style="list-style-type: none"> <li>● <b>Revision</b></li> <li>● <b>Midterm Test</b></li> </ul>	
10	<ul style="list-style-type: none"> <li>● Reading 58</li> <li>● Reading 59</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 58 Interest Rate Risk and Return (Continued)</b> Interest Rate Risk and Return</li> <li>● <b>Reading 59 Yield- Based Bond Duration Measures and Properties</b> Yield- Based Bond Duration Measures and Properties</li> </ul>	Reading 58 Exercise Reading 59 Exercise
11	<ul style="list-style-type: none"> <li>● Reading 60</li> <li>● Reading 61</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 60 Yield- Based Bond Convexity and Portfolio Properties</b> Yield- Based Bond Convexity and Portfolio Properties</li> <li>● <b>Reading 61 Curved Based and Empirical Fixed Income Risk Measures</b> Curved Based and Empirical Fixed Income Risk Measures</li> </ul>	Reading 60 Exercise Reading 61 Exercise
12	<ul style="list-style-type: none"> <li>● Reading 61</li> <li>● Reading 62</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 61 Curved Based and Empirical Fixed Income Risk Measures (Continued)</b> Curved Based and Empirical Fixed Income Risk Measures</li> <li>● <b>Reading 62 Credit Risk</b> Credit Risk</li> </ul>	Reading 61 Exercise Reading 62 Exercise
13	<ul style="list-style-type: none"> <li>● Reading 62</li> <li>● Reading 63</li> <li>● Reading 64</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 62 Credit Risk (Continued)</b> Credit Risk</li> <li>● <b>Reading 63 Credit analysis for Government Issuers</b> Credit analysis for Government Issuers</li> <li>● <b>Reading 64 Credit analysis for Corporate Issuers</b> Credit analysis for Corporate Issuers</li> </ul>	Reading 63 Exercise Reading 64 Exercise
14	<ul style="list-style-type: none"> <li>● Reading 65</li> <li>● Reading 66</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Quiz 2</b></li> <li>● <b>Reading 65 Fixed Income Securitization</b> Fixed Income Securitization</li> <li>● <b>Reading 66 Asset-Backed Security (ABS) Instrument and Market Features</b> Asset-Backed Security (ABS) Instrument and Market Features</li> </ul>	Reading 65 Exercise Reading 66 Exercise
15	<ul style="list-style-type: none"> <li>● Reading 66</li> <li>● Reading 67</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Reading 66 Asset-Backed Security (ABS) Instrument and Market Features (Continued)</b> Asset-Backed Security (ABS) Instrument and Market Features</li> <li>● <b>Reading 67 Mortgage Backed Security (MBS) Instrument and Market Features</b> Mortgage Backed Security (MBS) Instrument and Market Features</li> </ul>	Reading 66 Exercise Reading 67 Exercise
16	<ul style="list-style-type: none"> <li>● Presentation</li> </ul>	<ul style="list-style-type: none"> <li>● Presentation</li> </ul>	
17	<ul style="list-style-type: none"> <li>● Final Revision</li> </ul>	<ul style="list-style-type: none"> <li>● Presentation</li> <li>● Final Revision</li> </ul>	

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*Note: During the semester, this course may be switched to on-line teaching; in the case of on-line teaching, Tencent Meeting and WeChat group will be used as main teaching methods. WeChat group will be mainly used to inform students of daily study activities and tasks. Tencent Meeting will be used as main platform to organize study activities.*

*A review in Chinese may be held during L.C. and O.H. in the semester.*

### **Teacher's Office Hour**

- ♦ The instructor's office hour is shown in the front of the office door.
- ♦ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ♦ The time can be scheduled by instructors or students, or both.

### **Cheating and Plagiarism**

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

### **Important Dates**

<b>Midterm Test</b>	<b>Week 9 or 10</b>
<b>Final Exam</b>	<b>Week 18 (Refer to the notice of the Academic Affairs Office)</b>

*Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.*

**Instructor:** 张倩 \_\_\_\_\_ **Department Head:** \_\_\_\_\_

