Syllabus
Fixed Income Analysis
FIN378, Section 1, Spring 2012

Course information
Course: Fixed Income Analysis
Section: 1
Course code: 13967
Class meetings: 9:30-10:45 AM, Tuesdays and Thursdays
Location: 109 ZSH

Instructor information
Instructor: Pamela Peterson Drake, PhD, CFA
Office: 335 ZSH
Office hours: Tuesdays and Thursdays, 3:30-5PM
Mondays, Wednesdays and Fridays, 10-11AM
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Course description
This course examines the market for and the price/yield determinants of various fixed income securities, including Treasury debt, corporate bonds, agency debt, municipal bonds, mortgages and asset-backed securities. Topics include securitization, the term structure of interest rates and portfolio management strategies, such as duration, convexity, and immunization. Pre-requisite: FIN371.

Course outcomes
1. Examine alternative fixed income securities, including Treasury debt, corporate bonds, agency debt, municipal bonds, mortgages, and asset-backed securities.
2. Describe the market for fixed income securities, as well as the basic price/yield relationship.
3. Examine portfolio management strategies that involve duration, convexity, and immunization.
4. Explore the process and valuation of securities in securitization.
5. Examine the role of the term structure of interest in the valuation of fixed income securities.

Requirements and policies
1. Required material
   - Wall Street Journal, online version.
   - Bloomberg log-in and completed Capital Markets Lab training session.
   - Completion of Core and Fixed Income modules in Bloomberg.
2. **Grading**

Your grade depends on the following items, with weights noted:

<table>
<thead>
<tr>
<th>Item</th>
<th>Weight in course grade</th>
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<tbody>
<tr>
<td><strong>Exams</strong></td>
<td></td>
</tr>
<tr>
<td>Exam 1</td>
<td>30%</td>
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<tr>
<td>Exam 2</td>
<td>30%</td>
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<tr>
<td>Final exam</td>
<td>30%</td>
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<tr>
<td>Total proportion for exams</td>
<td>90%</td>
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<tr>
<td><strong>Other</strong></td>
<td></td>
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<tr>
<td>Individual assignment</td>
<td>10%</td>
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<tr>
<td>Total for the course</td>
<td>100%</td>
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*Note: failure to successfully complete the Bloomberg Core and Fixed Income modules will result in a loss of 5 points on the final score for the course.*

The grade for the course is assigned using the weighted average of your scores, P, and the following scale:

- \([93 < P \leq 100] = A\)  
- \([79 < P \leq 83] = B-\)  
- \([67 < P \leq 69] = D+\)  
- \([89 < P \leq 93] = A-\)  
- \([77 < P \leq 79] = C+\)  
- \([63 < P \leq 67] = D\)  
- \([87 < P \leq 89] = B+\)  
- \([73 < P \leq 77] = C\)  
- \([59 < P \leq 63] = D-\)  
- \([83 < P \leq 87] = B\)  
- \([69 < P \leq 73] = C-\)  
- \([P \leq 59] = F\)

3. **Attendance and participation**

Class attendance is expected and required. Though participation and attendance do not affect your grade directly, it is difficult to do well in this course without attendance and participation.

4. **Mid-term and final exams**

There are no make-up exams. If a student misses Exam 1 or Exam 2 and provides a written, verifiable medical excuse that states that the student was too ill to attend the examination, and this excuse is provided to the instructor within one week of the absence, the final exam will be reweighted such that it comprises 60 percent of the course grade. Do not schedule interviews for exam periods.

5. **Academic honesty**

The *James Madison University Honor Code* governs all student activities throughout the course. All students are expected to be aware of and abide by the *JMU Honor Code*. Students’ work will be examined closely for violations of the *Honor Code*, and there is no tolerance for violations of the *Honor Code*. For the *Honor Code*, and procedures related to violations of the Honor Code, please see the www.jmu.edu/honor/code.shtml.

6. **Americans with disabilities accommodation**

Students may seek accommodations in accordance with the Americans with Disabilities Act of 1990. Students with disabilities needing academic accommodations should review James Madison University's ADA Policy and work with the James Madison University’s Office for Students with Disabilities. Students requiring special accommodations under ADA for testing situations must provide at least one week notice of the need for such accommodation.

7. **Contacting the instructor**

Students are encouraged to visit the instructor during office hours, as well as to communicate through email.
8. **Inclement weather**
   In the event of inclement weather, class will be held online at the scheduled time using Illuminate; students are expected to log on to Blackboard at the scheduled class meeting and join the Illuminate session. Students unable to join the class may view a recorded version at a later time.

9. **Technical skill development**
   Students will be continuing improvement of technical skills through the use of Microsoft Excel in their assignments. Specifically, students will develop skills further in using:
   - Bond functions,
   - Logic functions, and
   - Charting.

   Further, students will develop further their skills in using data available online through FINRA, FINRA’s Trace system for bond trades, and Bloomberg’s fixed income data.