

Course Syllabus

Course Code/Sec. and Title	F18FIN0011/01C – Debt & Fixed Income	
Schedule	Semester:	Fall 2018
	# of sessions/days of the week:	10 Sessions / Mondays
	Dates:	09/24/2018 – 12/03/2018
	Times:	6:15pm – 8.45pm
	Location/Room#	17 Lex – Room 1321 (13th floor)
Instructor Name	Chris Droussiotis	
Contact Information	Email: Christakis.Droussiotis@baruch.cuny.edu Tel: (908) 930-4725 (Voice and Text)	
Course Description	<p>The course is divided into three parts: Corporate Bonds, Corporate Loans and other short-term and Long-term Debt structures including government issued notes/bonds, Munis, CDOs and CLOs.</p> <p>All Lecture Notes/Homework/Class Projects /Reading material are found at the instructor's website at www.ProfessorDrou.com</p>	
Prerequisites	N/A	
Learning Objectives	<p>The objective of this course is to teach the fundamental concepts and tools surrounding Debt and Fixed Income markets. Individuals taking this course will develop an understanding of this broad asset class from the issuer and investor point of view. Also, the course will familiarize the students with ways in which analytical techniques are made to assess the various risks that affect such investment including interest rate movements, credit deterioration and economic events. The Course will supply institutional material necessary for solid understanding of the environment in which these financial decisions are made.</p>	
Materials/Books	<p>Textbook, Bond Markets, Analysis and Strategies Frank Fabozzi 9th Edition preferred</p>	

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Outline/ Assignments	Session	Date	Topic	Textbook – Read Lecture #	Homework	Exams	
	1	Sep 24	Introduction <ul style="list-style-type: none"> • Short-Term / Long Term • Money Terms • Risks (Interest/Inflation, credit) • Pricing / Yield / PV/FV • Par/Premium/Discount 	Chapter 1,2 / Lecture 1 & 1a			
	2	Oct 1	Measuring Yield / Volatility <ul style="list-style-type: none"> • IRR • YTM / YTC / YTW • Volatility • Sharpe Ratio - Relationship between Yield with Volatility • Portfolio Approach 	Chapters 3-4 Lecture 2	Homework #1 Due		
		Oct 8	NO CLASS				
	3	Oct 15	<ul style="list-style-type: none"> • Duration • Convexity • Portfolio Duration / Spread Duration • Yield Curve • Interest Rate movements • Swaps / Fixed vs Floating 	Chapters 4-5 Lecture 3			
	4	Oct 22	<ul style="list-style-type: none"> • Midterm Exam Review 		Homework #2 Due (Due June 7)		
	5	Oct 29	MID-TERM EXAM				

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	6	Nov 5	Corporate Debt – Corporate Bonds <ul style="list-style-type: none"> • Bond Ratings • Investment Grade/High Yield • Primary/Secondary Market • 	Chapter 7 Lecture 4 & Handout		
	7	Nov 12	Measuring Market & Credit Risk <ul style="list-style-type: none"> • Primary/Secondary Market • Default Rates / Recovery Analysis • Credit Analysis • Collateral Analysis 	Chapter 7 Lecture 5		
	8	Nov 19	CLO / CDO <ul style="list-style-type: none"> • Cash Arbitrage Strategies • NAV • Power of Leverage • Equity investments in the structured 	Chapter 16 Lecture 6	Homework #3 Due	
	9	Nov 26	<ul style="list-style-type: none"> • Case Studies • LBO scenarios • FINAL EXAM REVIEW 	Handout	Homework #4 Due	
	10	Dec 3	FINAL EXAM			
Attendance Policy	Attendance for all sessions is required. If a student cannot attend one session, it will be the responsibility of the student to master the information covered. Repeated absences will result in a reduction of the student's grade. Attendance is mandatory for international students. Each student must attend all scheduled classes. Any Contemporary American Business Practices (CABP) student who has more than two absences in a class or any full-time ESL student who misses more than 20% of scheduled sessions may result in a failing grade for the course.					
CABP Failure Policy	If a Contemporary American Business Practices (CABP) student fails a course, they will need to repeat the course. The student is responsible for contacting the CAPS office within 10 days of the ending date of the course to make arrangements to re-take the course in a subsequent semester. A CABP student will not be eligible to apply for OPT or to receive a certificate unless all failed courses are subsequently passed.					

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Grading Criteria	<p>Attendance 10 %</p> <p>Exam 1/ Exam 2 * 70 %</p> <p>Homework 15 %</p> <p>Class Participation 5 %</p> <hr/> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">A 93.0-100.0</td> <td style="width: 33%;">C+ 77.1-79.9</td> <td style="width: 33%;"></td> </tr> <tr> <td>A- 90.0-92.9</td> <td>C 73.0-77.0</td> <td></td> </tr> <tr> <td>B+ 87.1-89.9</td> <td>C- 70.0-72.9</td> <td></td> </tr> <tr> <td>B 83.0-87.0</td> <td>D+ 67.1-69.9</td> <td></td> </tr> <tr> <td>B- 80.0-82.9</td> <td>D 60.0-67.0</td> <td></td> </tr> <tr> <td></td> <td>F Below 60.0</td> <td></td> </tr> </table> <p>35% for each Exam (Mid-Term and Final)</p> <p>A student has 30 days from the ending date of the course in which to contest their grade. Students should first contact their instructors for a breakdown of their final grade. If you still wish to appeal your grade, please email caps@baruch.cuny.edu .</p> <p>*CD Factor: This is to give the benefit for students of significant improvement between Mid-Term Exam and Final. The Weighted averages are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 33%;">Improvement</th> <th style="width: 33%;">Mid-Term Weighting</th> <th style="width: 33%;">Final Exam Weighting</th> </tr> </thead> <tbody> <tr> <td>35% and higher</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">55%</td> </tr> <tr> <td>30-34%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>25%-29%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">45%</td> </tr> <tr> <td>20%-24%</td> <td style="text-align: center;">30%</td> <td style="text-align: center;">40%</td> </tr> <tr> <td>19% or</td> <td style="text-align: center;">35%</td> <td style="text-align: center;">35%</td> </tr> </tbody> </table>	A 93.0-100.0	C+ 77.1-79.9		A- 90.0-92.9	C 73.0-77.0		B+ 87.1-89.9	C- 70.0-72.9		B 83.0-87.0	D+ 67.1-69.9		B- 80.0-82.9	D 60.0-67.0			F Below 60.0		Improvement	Mid-Term Weighting	Final Exam Weighting	35% and higher	15%	55%	30-34%	20%	50%	25%-29%	25%	45%	20%-24%	30%	40%	19% or	35%	35%
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W	<p>Students who do not wish to continue in a class must complete a WITHDRAWAL REQUEST FORM in the main office. They will receive a grade of "W" in the course.</p> <p>It is not designed to keep a student from failing a course. A "W" grade may be issued to a student up to the midpoint of the course, as long as no failing grades have been recorded. "W" grades are not applicable for international students who are studying on an F1/I-20 student visa, nor for students in the CABPs program.</p>																																				
AUD	<p>Students who do not wish to receive a grade in the class must complete an AUDIT REQUEST FORM in the main CAPS office. The AUDIT is subject to approval by the Program Director and must be submitted prior to the third class meeting (for a standard eight or ten session course) or prior to the second class meeting (for a five or shorter course). A course taken on an AUD basis may NOT be used to satisfy the requirements of a certificate program. Once granted, the Audit option is not reversible.</p>																																				
Pass/Fail	<p>Students who wish to be graded on a Pass/Fail basis must complete a PASS/FAIL REQUEST FORM in the main CAPS office. The form is subject to approval subject to approval by the Program Director and must be submitted prior to the third class meeting (for a standard eight or ten session course) or prior to the second class meeting (for a five or shorter course). This course may NOT be used to satisfy the requirements of a certificate program (except for 11.25 hours or shorter Real Estate courses). Once granted, the Pass/Fail option is not reversible. The student must attend 80% of the classes and complete all course requirements in order to receive a "passing" grade. The following courses: Personal Development, Seminars and Certified Financial Planning, are always graded on a Pass/Fail basis</p>																																				

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INC	<p>This grade may NOT be used in ESL classes. Students with a justifiable cause may request a grade of INC, subject to approval by both the instructor and the Program Director. The student must complete all remaining assignment(s) within 30 days after the last day of class or the INC grade will change to a grade of "F". Final exams must be taken within seven days of the ending date of the course. The grade of INC is intended for students with medical or emergency issues which prevented them from completing the requirements of the course within the regular term. Conditions which justify an INC are as follows:</p> <ul style="list-style-type: none"> ▪ There must be documented and extenuating circumstances (such as health issues or a death in the family). ▪ The student must have been attending class on a regular basis. ▪ Both the instructor and the Program Director must approve the INC. ▪ All course requirements must be completed <u>within 30 days</u>, after which the grade will change to an "F". <p>If a student has missed a final exam and does not have a documented, extenuating circumstance, this does <u>not</u> qualify for an INC, nor a make-up exam. The student receives a grade of "F" for the final exam.</p>
COMP	Awarded to students who have completed a preparation course, i.e. GMAT.
R	ESL & Modern Language Only: Course must be repeated until minimum proficiency is attained.
Academic dishonesty & Plagiarism	<p>Academic sanctions in this class may range from an F on the assignment to an F in this course or expulsion from the program. A report of suspected academic dishonesty will be sent to the Program Director and the Associate Dean.</p> <p>Additional and Important information for students about the consequences of cheating and plagiarism: http://www.baruch.cuny.edu/academic/academic_honesty.html</p>
Instructor Bio	<p>Professor Droussiotis' training and expertise is in the area of Investment Banking. Possessing over 30 years of experience by working for numerous corporations in various executive management positions at :</p> <ul style="list-style-type: none"> • Bank of America Merill Lynch • CIBC Oppenheimer • Mizuho Financial Group • Bank of Tokyo-Mitsubishi Trust UFJ • Sumitomo Mitsui Banking Corporation • Mitsui Nevitt Banking Corporation <p>Professor Droussiotis is currently a Managing Director, General Manager and the Head of the Leverage Finance, Private Equity Sponsor Group & Structured Finance Department at Sumitomo Mitsui Banking Corporation managing a loan portfolio of over \$8 billion of large cap and middle market leveraged loans, as well as investments in SPV funds, CLOs and BDCs that are backed by leveraged loans and high yield bonds.</p> <p><u>Academic Experience</u> Adjunct Professor for Columbia University's School of Professional Studies, Fordham University's Gabelli School of Business, Baruch College's Economics & Finance Department in NY, Baruch College's Continuing and Professional Studies (CAPS), Stillman School of Business at Seton Hall and Fairleigh Dickinson University's International School of Hospitality and Tourism Management in NJ. Courses include Quantitative Analysis in Business, Investment Analysis, Managerial Finance, Commercial Credit \$ Banking, Debt & Fixed Income Markets, Derivative Strategies, Business Statistics, Equity Valuation and Advanced New Venture Management.</p>

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Professor Droussiotis has also given lectures on various subjects including Leveraged Buyouts, Credit Markets, Loan Syndications, Capital Markets at Baruch College, Bank of China, Cendant Corporation, China Construction Bank, Wyndham Worldwide, Travelport and the Industrial Bank of Japan, etc.

Specialties

Leveraged Finance, Loan Syndication and Private Placements, Quantitative Analysis including Portfolio Risk, Financial Modeling, Credit Analysis, Equity Return Analysis and CLOs. Professor Droussiotis is a member of various associations such as Hellenic American Bankers Association (HABA) and the Mathematical Association of America (MAA).