BFIN 4250: Fixed Income Analysis
Tuesdays & Thursdays, 2:00pm-3:15pm
3 credits

Instructor:	Christakis (Chris) Droussiotis, christakis.droussiotis@shu.edu, (908) 930-4725 (Voice /Text)
Instructor's Web:	**www.ProfessorDrou.com**
Office Hours:	Thursdays 4:00-5:30pm by Appointment
Office Room:	Room 691 (Jubilee Hall) Tel. Ext: 9251
Response Policy:	I intend to log onto the course and check email daily. You should expect a response from me within 24 hours. If you have an urgent question or concern, please contact me via text message or telephone

Course Overview

This course provides the student with the core principles and analytical tools that are essential for analyzing fixed income products and managing fixed income portfolios. Course topics will include the primary and secondary bond, loan and CDO markets. The Valuation of bonds including duration and convexity, risk and return, as well as credit analysis and term structure of interest rates, yield and spread analysis, and fixed income portfolio management. Emphasis of the lectures and exams will be placed on fixed income principles and the mathematical calculations that underlie those principles. The prerequisite for BFIN4250 is a grade of C or better in BFIN4227 Investment Analysis, along with a basic knowledge of finance, economics, statistics, calculus, and accounting.

Learning Objectives (LO)

Upon successful completion of this course, you will be able to:
1. To master the key tools for analyzing fixed income products and managing fixed income portfolios.
2. To understand a broad range of fixed income products and their risk and return characteristics
3. To gain knowledge and skills in preparation for a potential career in fixed income and capital markets

Readings

Textbook (CD)
The following text is based on the professor's lecture notes and is highly recommended but not required to purchase. The homework taken out this textbook will be provided on Canvas:

Droussiotis, C. (2020), ***An Analytical Approach to Investments, Finance and Credit***, Preliminary Edition. Cognella Publishing. ISBN: 978-1-1935551-66-9 - Link to purchase including Active Learning: https://store.cognella.com/93855

Textbook (AS)
James Adams and Donald Smith, Fixed Income Analysis, Fourth Edition, Wiley, by (ISBN 9781119627289).

Supplemental Readings
I will post supplementary articles, business cases, and Power Point Lecture Notes on my website www.ProfessorDrou.com on a regular basis.

Financial Calculators
Given the scope and nature of Introduction to Finance, students are strongly recommended to obtain a financial calculator, such as: HP-10BII or Texas Instruments (TI) BAII.

Chapters 4 and 6 in your RWJ textbook include an appendix that shows how to use both financial calculators to perform present value and future value calculations and to solve for the rate of return.

Excel

In addition, students are encouraged to use Excel to perform the analytical calculations discussed in the course. Most of the lectures will include spreadsheet analysis.

Course Requirements (Assignments)

Graded Homework Problems (20%):
Graded Homework Problems give you an opportunity to demonstrate your mastery of the topics covered in the course and solidify your knowledge of finance theory through the practical application of the concepts, models, and theories, discussed in class. Students are required to submit a set of Graded Homework Problems. Homework and due dates will be posted on Canvas. The student could wish to submit their homework via Cornella's ACTIVE LEARNING platform.

Midterm Exam (35%):
The Midterm Exam will be based on the instructor's class notes (PowerPoint presentations) and excel spreadsheets provided on the professor's website and blackboard. To prepare for the exam is recommended reading using the practice problems from the optional CD textbook - chapters 11 and 12 (Secondary markets: Bonds, Corporate Loans, CLOs).

Final Exam (35%):
The Final Exam will include some of the concepts from the midterm including Bond and Loan analytics. Most of the exam though will focus on textbook CD chapters 7, 8, 9 and 18. The exam will be taken during the Exam Period. It will be opened books.

*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 (based on pre midterm curve score):

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 lower (including negative)	35%	35%

Evaluation/Grading
The final grade will be calculated as described below:

FINAL GRADING SCALE

Grade	Percentage
A	93–97.9 %
A-	90–92.9 %
B+	87–89.9 %
B	83–86.9 %
B-	80–82.9 %
C+	77–79.9 %

C	73–76.9 %
C-	70–72.9 %
D	60–69.9 %
F	59.9% and below

ASSIGNMENT	% Weight
Mid-term Exam	30%
Final Exam	30%
Attendance and Participation	10%
Graded Homework	15%
Individual Project	15%

Academic Integrity

Cheating and plagiarism are serious offenses. The following definitions are based on the College's Academic Honesty website:

Cheating is the attempted or unauthorized use of materials, information, notes, study aids, devices, or communication during an academic exercise.

Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaborating on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student
- Asking or allowing another student to take an examination for you
- Changing a corrected exam and returning it for more credit
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Preparing answers or writing notes in a blue book (exam booklet) before an examination
- Allowing others to research and write assigned papers including the use of commercial term paper services

Plagiarism is the act of presenting another person's ideas, research or writing as your own, such as:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another)
- Presenting another person's ideas or theories in your own words without acknowledging them
- Using information that is not considered common knowledge without acknowledging the source
- Failure to acknowledge collaborators on homework and laboratory assignment

My policy is to give a 0 grade to any assignment that has been plagiarized or an exam in which you have cheated. In addition, I am required by college policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report becomes part of your permanent file.

Course Schedule/Course Calendar

Website www.ProfessorDrou.com for schedule changes and updates.