

## Tamkang University Academic Year 111, 1st Semester Course Syllabus

Course Title	FIXED INCOME SECURITIES AND FINANCIAL INNOVATION	Instructor	LIN, CHEN-SHENG
Course Class	TLUXM1A TKU-QUT DUAL MASTER DEGREE PROGRAM IN FINANCE (ENGLISH-TAUGHT PROGRAM), 1A	Details	◆ General Course ◆ Selective ◆ One Semester
Relevance to SDGs	SDG4 Quality education SDG8 Decent work and economic growth		
D e p a r t m e n t a l   A i m   o f   E d u c a t i o n			
I . To cultivate a professional understanding of the theory and skills of finance. II. To be able to solve practical problems by professional knowledge of finance. III. Possess the ability to communicate and express views regarding financial profession. IV. Emphasize corporation and coordination within a team. V . To expand international vision and civic awareness.			
Subject Departmental core competences			
A. Have a strong grasp of the advanced knowledge and skills in professional finance. (ratio:20.00) B. Possess the advanced application ability to financial practices.(ratio:20.00) C. To be capable of communicating and expressing views in terms of advanced finance. (ratio:25.00) D. Illustrate the ability of corporation and coordination within a team.(ratio:20.00) E. Understand international financial issues and corporate responsibility.(ratio:15.00)			
Subject Schoolwide essential virtues			
1. A global perspective. (ratio:20.00) 2. Information literacy. (ratio:20.00) 3. A vision for the future. (ratio:20.00) 4. Moral integrity. (ratio:10.00) 5. Independent thinking. (ratio:10.00) 6. A cheerful attitude and healthy lifestyle. (ratio:10.00) 7. A spirit of teamwork and dedication. (ratio:5.00)			

8. A sense of aesthetic appreciation. (ratio:5.00)

**Course  
Introduction**

This course examines the valuation of fixed-income securities, the market operations and management of risk. Topics include valuation of bonds, determining bond price volatility, measuring the interest rate risk, term structure of interest rate, interest-rate models, and credit risk modeling. In the past decades, the financial industry is changing rapidly in the face of new technology. Financial innovations will also be introduced in the course.

**The correspondences between the course's instructional objectives and the cognitive, affective, and psychomotor objectives.**

Differentiate the various objective methods among the cognitive, affective and psychomotor domains of the course's instructional objectives.

I. Cognitive : Emphasis upon the study of various kinds of knowledge in the cognition of the course's veracity, conception, procedures, outcomes, etc.

II.Affective : Emphasis upon the study of various kinds of knowledge in the course's appeal, morals, attitude, conviction, values, etc.

III.Psychomotor: Emphasis upon the study of the course's physical activity and technical manipulation.

No.	Teaching Objectives	objective methods
1	Understand the pricing of bonds and their investment characteristics.	Cognitive
2	Learn analytical tools used in interest rate modeling and risk management.	Cognitive
3	Understand the meaning of financial innovation in the financial system.	Cognitive
4	To help students formulate research ideas and methods in the field of finance.	Cognitive

The correspondences of teaching objectives : core competences, essential virtues, teaching methods, and assessment

No.	Core Competences	Essential Virtues	Teaching Methods	Assessment
1	ABCDE	12345678	Lecture, Discussion	Testing, Study Assignments, Discussion(including classroom and online), Report(including oral and written)

2	ABCDE	12345678	Lecture, Discussion	Testing, Study Assignments, Discussion(including classroom and online), Report(including oral and written)
3	ABCDE	12345678	Lecture, Discussion	Testing, Study Assignments, Discussion(including classroom and online), Report(including oral and written)
4	ABCDE	12345678	Lecture, Discussion	Testing, Study Assignments, Discussion(including classroom and online), Report(including oral and written)

#### Course Schedule

Week	Date	Course Contents	Note
1	111/09/05 ~ 111/09/11	Syllabus Discussion and Course Introduction	
2	111/09/12 ~ 111/09/18	Pricing of Bonds	
3	111/09/19 ~ 111/09/25	Pricing of Bonds	
4	111/09/26 ~ 111/10/02	Measuring Yield	
5	111/10/03 ~ 111/10/09	Measuring Yield	
6	111/10/10 ~ 111/10/16	Bond Price Volatility	
7	111/10/17 ~ 111/10/23	Bond Price Volatility	
8	111/10/24 ~ 111/10/30	Factors Affecting Bond Yields	
9	111/10/31 ~ 111/11/06	Term Structure of Interest Rates	
10	111/11/07 ~ 111/11/13	Midterm Exam Week	
11	111/11/14 ~ 111/11/20	Guest Speaker: Introduction to Financial Innovation	
12	111/11/21 ~ 111/11/27	Interest-Rate Models	
13	111/11/28 ~ 111/12/04	Interest-Rate Models	
14	111/12/05 ~ 111/12/11	Credit Risk Modeling	
15	111/12/12 ~ 111/12/18	Credit Risk Modeling	
16	111/12/19 ~ 111/12/25	Oral Presentations of the Group Projects I	

17	111/12/26 ~ 112/01/01	Oral Presentations of the Group Projects II	
18	112/01/02 ~ 112/01/08	Final Exam Week (The final exam dates : 112/1/3~112/1/9)	Submit Term Paper
Requirement	<p>1. Some topics will require the fundamental knowledge of economics, finance, and banking. A supplemental reading list will be provided to the students without these backgrounds.</p> <p>2. Some of the topics covered will use middle school level algebra.</p> <p>3. Students are asked to establish small groups (of two to three people in size) and to conduct literature review and analysis on fixed income securities and financial innovation related issues or development, based on the theories as introduced in the course. Students need to find their partners themselves for the group project, and to make a preliminary presentation on the project topic and outline, after the class session of the university scheduled mid-term exam week. Groups have to set their work schedule and management plan for the project. Formal presentations of the group projects consist of two parts: oral and written (both in English). Written reports (less than 10 pages) on the group projects shall be submitted by the last week of the semester.</p> <p>4. Please note that the instructor reserves the right to make adjustments to this syllabus as deemed necessary.</p>		
Teaching Facility	Computer, Projector		
Textbooks and Teaching Materials	Fabozzi, F. J. (2016): Bond Markets, Analysis, and Strategies, 8th Edition, Pearson Education. (Taipei:Yeh Yeh Book Gallery)		
References	Papers & Lecture Notes		
Number of Assignment(s)	(Filled in by assignment instructor only)		
Grading Policy	<p>◆ Attendance : 15.0 %    ◆ Mark of Usual :       %    ◆ Midterm Exam : 30.0 %</p> <p>◆ Final Exam :           %</p> <p>◆ Other 〈Homework and Project〉 : 55.0 %</p>		
Note	<p>This syllabus may be uploaded at the website of Course Syllabus Management System at <a href="http://info.ais.tku.edu.tw/csp">http://info.ais.tku.edu.tw/csp</a> or through the link of Course Syllabus Upload posted on the home page of TKU Office of Academic Affairs at <a href="http://www.acad.tku.edu.tw/CS/main.php">http://www.acad.tku.edu.tw/CS/main.php</a>.</p> <p><b>※ Unauthorized photocopying is illegal. Using original textbooks is advised. It is a crime to improperly photocopy others' publications.</b></p>		