

## Subject card

Subject name and code	Fixed Income and Derivatives, PG_00124887						
Field of study	Finance and Accounting						
Date of commencement of studies	October 2024		Academic year of realisation of subject		2024/2025		
Education level	postgraduate studies		Subject group		Obligatory subject group in the field of study Subject group related to scientific research in the field of study		
Mode of study	full-time studies		Mode of delivery		at the university		
Year of study	1		Language of instruction		English		
Semester of study	1		ECTS credits		8.0		
Learning profile	academic		Assessment form				
Conducting unit	Katedra Finansów Przedsiębiorstw -> Faculty of Management						
Name and surname of lecturer (lecturers)	Subject supervisor		dr hab. Ewa Majerowska				
	Teachers		dr hab. Ewa Majerowska				
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	30.0	0.0	0.0	0.0	60
	E-learning hours included: 0.0						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	Number of study hours	60		41.0		110.0	211
Subject objectives	<p>The aim of the course is to discuss problems of equity/corporate value and fixed income securities and derivatives from practical perspective: construction, valuation and application in the field of financial markets. Course is comprised of two main building-blocks (preceded by one introductory lecture):</p> <p>1) corporate valuation,</p> <p>2) overview of fixed income securities and derivatives, its valuation and application.</p> <p>The course is intended for students with basic knowledge in finance, eager to learn some new concepts regarding fixed income markets. Assessment will be based upon written examination.</p>						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[FiRMU2_K06] Creativity: - the student has the ability to think creatively, can go beyond the usual patterns, - can think and act in an entrepreneurial manner, - can flexibly adapt to the changing requirements of the environment.	The student has the ability to think creatively, is able to think and act in an entrepreneurial manner, is able to choose the appropriate financial instrument and assess its usefulness.	[SK1] oral statement/conversation/discussion [SK4] test/exam - oral or written
	[FiRMU2_U07] The student knows how to independently propose solutions to specific problems in the field of finance and accounting based on accepted criteria and lead to decisions in this area.	The student is able to propose solutions to specific problems related to the use of fixed income and derivative financial instruments and lead to appropriate decisions.	[SU1] oral statement/conversation/discussion [SU4] test/exam - oral or written
	[FiRMU2_U06] The student creatively uses the acquired knowledge in various scopes and forms to solve problems in finance and accounting that arise in business practice. The student knows the limitations of the usefulness of the applied knowledge.	The student uses the acquired knowledge in a creative way in the selection of fixed income and derivative financial instruments. Knows the limitations associated with the financial instruments learned.	[SU1] oral statement/conversation/discussion [SU4] test/exam - oral or written
	[FiRMU2_W07] The student knows in detail the principles of project evaluation of finance and accounting (profitability of investment projects, assessment of the financial situation of the organization, risk assessment, threat of bankruptcy). The student can identify risks associated with the activities of the organization and correctly determine their consequences and methods of mitigation with the skillful use of theoretical knowledge using a specific research method.	The student knows the principles of activity evaluation in selecting fixed income financial instruments and derivative. The student can identify the types and levels of risk associated with their use.	[SW4] test/exam - oral or written
	[FiRMU2_W09] The student knows and understands grammatical structures and vocabulary thoroughly within his/her specialty in a foreign language at B2+ level.	The student knows and understands at an in-depth level the grammar and vocabulary in the field of finance related to fixed income and derivatives.	[SW4] test/exam - oral or written [SW1] oral statement/conversation/discussion
	[FiRMU2_U09] The student can use a foreign language at the B2+ level of proficiency of the Common European Framework of Reference for Languages and specialized terminology. The student has an in-depth ability to prepare written works, oral speeches and presentations in a modern foreign language on specific issues in his/her specialty, using basic theoretical approaches and various sources of information.	The student is able to use a foreign language, has the ability to deliver oral presentations during classes and produce written work in a modern language in the field of management of fixed income financial instruments.	[SU1] oral statement/conversation/discussion [SU4] test/exam - oral or written
Subject contents	1. Bond pricing. Yields and bootstrapping 2. Duration and convexity. 3. Liability management. Hedging with fixed income instruments. 4. Theories of the yield curve. 5. Derivatives basics. Forwards, futures, options and swaps. 6. Payoffs and strategies. Put-call parity. 7. Option valuation. Binomial trees. Risk neutral pricing and the Black&Scholes model.  8. Corporate bonds and credit risk. Credit Default Swaps.		
Prerequisites and co-requisites	Financial mathematics and time value of money.		
Assessment methods and criteria	Subject passing criteria	Passing threshold	Percentage of the final grade
	final project	51.0%	50.0%
	written exam	51.0%	50.0%
Recommended reading	Basic literature	1. Fabozzi, F.J., Bond Markets, Analysis, and Strategies (9th Edition), Prentice Hall 2015 2. Fabozzi, F.J, The Handbook of fixed income securities, Prentice Hall 2005.	

	Supplementary literature	1. Sokołowska E., Alternative Investments in Wealth Management, Springer 2015
	eResources addresses	Adresy na platformie eNauczanie:
Example issues/ example questions/ tasks being completed		
Work placement	Not applicable	

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