

*Department of Accounting & Finance  
College of Business  
Texas A&M University-Commerce*

**FIN 415 (01B) – Fixed Income  
Fall 2021**

Instructor: Dror Parnes, Ph.D.

Office Hours: Blended course, we will start online, and I will assist upon request

Email: [Dror.Parnes@tamuc.edu](mailto:Dror.Parnes@tamuc.edu)

Class Hours: Any time

---

### **Course Description and Objectives**


This course introduces students to the fundamental principles, theories, and practices of fixed income pricing and valuation. It provides students with a rigorous analysis of the bonds international markets, fixed income trading strategies, advanced valuation methods of various fixed income instruments, and the different types of the risks involved.

### **Prerequisites**

FIN 304 and a basic knowledge of Calculus, Statistics, and Accounting

### **Textbook**

“Fixed Income Analysis,” Third Edition, by: Barbara S. Pettit, Jerald E. Pinto, and Wendy L. Pirie. CFA Institute Investment Series, John Wiley & Sons, Inc.

 We will not strictly follow this textbook. There are topics in the course that somewhat deviate from the book. The textbook can be used as a further reading material, but all you need for the course is my Power Point slides and my practice questions and answers already posted.

### **Exams and Grading**


There is no need to submit any of the homework practice questions and answers. There will be 2 online exams during the course and one Excel-based take-home assignment. Each exam will last for 1 hour and 15 minutes. Each exam contains 12 multiple-choice questions (8.333 points each question, 100 points altogether). These relatively short exams will cover the most recent lectures, and they will be non-cumulative. Once you start an exam, you have to complete it within the allowable time. Make sure to have a fast Internet connection. Since you will take the exams online at your convenience, there will be no makeup exams.

### **Course Content and Communication**

All communications will take place through TAMUC official website (myleoonline or D2L).

## **Grading System**

Your final grade will be based on a simple average of the 2 exams and the take home assignment (with equal weights to each) during the course. Once this average is computed, I will assign a final grade according to: 'A' (from 90 to 100), 'B' (from 80 to 90), 'C' (from 70 to 80), 'D' (from 60 to 70), 'F' (less than 60). *There will be no optional bonus points or mercy assignments, so make sure to do your best the exams and the Excel-based assignment!*

 We will use a lot of calculus and statistical methods during the course. I will attempt to clarify these techniques when it is relevant, yet I can only do that concisely. Make sure to refresh your memory with those techniques. The best time to do that is yesterday!

## **Attendance and general behavior**

This is a blended course, so we will start online and adjust as we go. No attendance is required.

## **Students with Disabilities**

The Americans with Disabilities Act (ADA) is a Federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services, Gee Library Room 132

Phone: (932) 886 – 5150 or (932) 886 – 5835

Email: [Rebecca.Tuerk@tamuc.edu](mailto:Rebecca.Tuerk@tamuc.edu)

## **Scholastic Dishonesty**

Academic integrity is the cornerstone of the university. Any student, who attempts to gain an unfair advantage over other students by cheating, will fail the course and be reported to Texas A&M University-Commerce. “All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment” Student Handbook.

## **Nondiscrimination Statement**

Texas A&M University-Commerce will comply in the classroom, and in online courses, with all Federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information, or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

## Campus Concealed Carry


Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to (<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

## Counseling Center

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center's crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit [www.tamuc.edu/counsel](http://www.tamuc.edu/counsel)

## Class Schedule

Date	Class	Topic
The course has a flexible schedule between the official dates of the semester. All lectures and exams are available online throughout these dates (but you can take only once each online exam).	1	Introduction to the Course
	2	Bonds
	3	Bonds
	4	Bonds in Excel
	5	Fixed Income Markets
	6	Different Types of Fixed Income Risks
	7	<b>First Exam</b>
	8	Bond Portfolio Management
	9	Bonds with Embedded Options
	10	Credit Risk
	11	Credit Risk in Excel
	12	Asset / Mortgage Backed Securities
	13	<b>Second Exam and Due Date for Excel-Based Assignment</b>

 The schedule is due to possible changes.

Good luck!