C39SM International Bond and Currency Markets

COURSE DETAILS

Course Code: C39SM
Full Course Title: International Bond and Currency Markets
SCQF Level: 9
SCAF Credits: 15
Available as Elective: Yes

DELIVERY LEVEL

Undergraduate: Yes  Postgraduate Taught: No  Postgraduate Research: No

COURSE AIMS

To develop a thorough understanding of interest rates, bonds and other fixed income securities, exchange rates and international portfolio investment.

LEARNING OUTCOMES – SUBJECT MASTERY

After completing this course, students should be able to

- understand interest rates, fixed income securities, exchange rates and international portfolio investment;
- price a bond, calculate its interest-rate sensitivity;
- discuss issues relating to bond pricing in a number of domestic and international bond markets;
- use and discuss the term structure of interest rates;
- calculate forwards interest and exchange rates;
- evaluate and use international parity relationships;
- evaluate the merit of international risk diversification.

LEARNING OUTCOMES – PERSONAL ABILITIES

After completing this course, students should be able to
write well constructed essays using well balanced arguments; and

critically evaluate relevant information gathered from a variety of sources.

SYLLABUS

1. Introduction to Fixed Income Investment in the UK
2. Main Bond Features, Bond Pricing and Bond Pricing Theorems
3. Bond Price Volatility
4. Term Structure of Interest Rates
5. Currency Exchange Rates
6. Foreign Exchange Rate Parity Theories
7. The Case for International Risk Diversification
8. Structures of the International Asset Allocation Process

COURSE RELATIONSHIPS

| Course Code | Level | Title                        | School                  | Type       |
|-------------|-------|------------------------------|                        |            |
| C38FM       | 8     | Financial Markets Theory     | School of Mgmt & Languages | Pre-Requisite |
| C38FN       | 8     | Corporate Financial Theory   | School of Mgmt & Languages | Pre-Requisite |

LOCATION AND ASSESSMENT METHODS

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