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
o 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

**LOCATION AND ASSESSMENT METHODS**

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