

**DEPARTMENT OF MANAGEMENT
UNIVERSITY OF TORONTO MISSISSAUGA**

**MGT412H5F LEC0101
Special Topics in Management
Course Outline - Fall 2013**

Class Location & Time	Tue, 01:00 PM - 03:00 PM IB 260
Instructor	Ruslan (Russ) Goyenko
Office Location	KN 268
Office Hours	Tuesday 11:30am-12:30 pm
E-mail Address	Ruslan.Goyenko@Rotman.Utoronto.ca
Course Web Site	http://portal.utoronto.ca
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Teaching Assistant	Kadar Adam
E-mail Address	adam.kadar11@alumni.utoronto.ca

Course Description

Topics and issues in Management. Content in any given year will depend on the instructor. [24L] (SSc)
Distribution Requirement: SSc

Course Objective

By the end of the course, students will learn (i) the basic concepts of fixed income instruments, such as yield, duration, convexity; (ii) the modern empirical methodologies to describe Treasury and corporate bond data, such as "curve fitting," factor analysis, and default probabilities; (iii) the most classical/recent modeling techniques for fixed income derivative products used in the Street, such as the models of Vasicek, Cox Ingersoll and Ross, Hull and White, Black-Derman-Toy, and Heath-Jarrow-Morton; and, importantly, (iv) how to use these models in practice to value both traditional derivative instruments, such as Swaps, Bond Options as well as the more recent products, such as Credit Derivatives; (v) general understanding of the market of defaultable securities and sovereign bonds.

Textbooks and Other Materials

Sundaresan, Fixed Income Markets and Their Derivatives, Third Edition (Academic Press Advanced Finance)

also recommended:

Fabozzi, Bond Markets, Analysis and Strategies, 7/E - Prentice Hall

Assessment and Grading Policies

Type	Description	Due Date	Weight
Assignment	3 or 4 assignments which may be completed individually or in groups of up to three students. These are excellent practice for the midterm and final exams. Due dates will be given at least a week before the assignments are due.	On-going	20%
Term Test	Midterm exam	2013-10-22	30%
Final Exam		TBA	50%

Requirements and Criteria

Modern fixed income analysis is characterized by a quantitative approach and the course (and exams) will mirror this. As a result, students should be familiar with *elementary*:

-*Financial mathematics*: net present value and internal rate of return of a sequence of cash-flows

-*Statistics, algebra and calculus*: e.g., you should be able to solve a system of two equations and two unknowns, to compute the derivative of a simple function (including exponential and logarithm), and you should know how to compute a mean and a standard deviation and what they mean.

The use of Excel may also be necessary for some of the assignments.

Conduct of Class

Lectures will be mainly instructor led, although questions and class participation are strongly encouraged. The course evaluation - test, assignments and the final exam, will be closely tied to the material covered in class.

Procedures and Rules

Missed Coursework:

The following steps must be completed in order to be considered for academic accommodation for any coursework, such as missed tests or late assignments:

1. You must inform your professor *in writing* (e-mail is acceptable) within 24 hours of a test date/assignment due date of any circumstances that prevent you from writing a test or submitting an assignment on time.
2. You must submit within 24 hours an online Petition for Academic Accommodation under: <https://app.utm.utoronto.ca/SpecialRequest/>
3. Original supporting documentation (e.g. medical certificates, accident reports etc.) must be submitted within seven (7) days from the date of the missed test or assignment date. Failure to submit appropriate documentation by the deadline will result in a grade of zero on the test or assignment in question. False statements and/or documentation will be treated as academic offences and handled accordingly.

In the case of illness, the required documentation is:

An original UTM Medical Certificate

http://www.utm.utoronto.ca/registrar/sites/files/registrar/public/shared/pdfs/medcert_web.pdf Medical certificates MUST include the following statement: "This student was unable to write the test [or complete the assignment] on [date(s)] for medical reasons." Documentation must show that the physician was consulted within one (1) day of the test or assignment due date. A statement merely confirming a report of illness made by the student is not acceptable (e.g. "This patient tells me that he was feeling ill on that day"). ***Failure to comply with this policy will result in a grade of zero for the test or assignment in question.***

Please Note: If you missed your test/assignment deadline for a reason connected to your registered disability, please be advised that the department will accept documentation supplied by the UTM AccessAbility Resource Centre.

In cases of severe domestic affliction or other causes not related to the student's health, the required documentation is:

Additional Documentation that provides evidence of the nature of the affliction. Note that holidays and pre-purchased plane tickets, family plans (unless critical, such as death of an immediate family member), your friend's wedding, lack of preparation, or too many other tests are not acceptable excuses for missing a quiz, a test, or an item of course work.

Supporting documentation must be dropped off into the drop box of the Department of Management, located across the hall from the main Departmental office, KN207

The Committee will contact you after the submission of your petition to obtain any additional documentation that may be required to assess your case fully.

Please note that the written explanation and documentation that you submit represent an appeal from you, requesting the opportunity to account for that portion of your grade in an alternate manner than the normal one that is described in this course outline. If an appeal is not received by the deadline specified above, or if the appeal is deemed unacceptable, you will receive a grade of zero for the item you missed.

Once all documentation has been received, the Petition for Academic Accommodation will be reviewed by the Departmental Petition Review Committee. Students will be informed of the Committee's decision **via email** within two (2) weeks. ***Please note that students are required to submit their assignments as soon as they are able and they should NOT wait for the decision of the Committee.***

If the appeal is granted -- that is, your reason for missing the item is considered acceptable by the Departmental Petition Review Committee -- then, provided you have followed the alternate procedure described below, this work will receive a grade.

Missed Test(s):

Students MAY NOT petition to re-write a test once the test has begun. If you are feeling ill, you must leave the room before starting your test and seek medical attention immediately. As described above, you must have a physician fill out a UTM Student Medical Certificate, and submit it along with an online Petition for Academic Accommodation into the drop box of the Department of Management, located across the hall from the main Departmental office, KN 207 within **one (1) week** of the missed test.

If a test is missed and the student does not provide acceptable documentation validating the explanation for absence, a grade of zero will be assigned.

Late Assignment(s):

If you anticipate missing an assignment deadline due to uncontrollable circumstances, you should contact the course instructor as early as possible, but within at least 24 hours to explain the situation. As described above, you must submit a Petition for Academic Academic Accommodation, along with any additional documentation, in person to the Department of Management administrative staff, Kaneff Centre, Suite 207 within **one (1) week** of the missed assignment deadline. The reallocation of grades, if any, for assignment deadlines missed for legitimate reasons will be made at the discretion of the instructor.

The Department of Management Program Office, including all staff and faculty members, cannot and will not accept late assignments for course instructors. Once an assignment deadline has passed, students must contact the course instructor to coordinate the assignment submission (if the instructor will accept a late assignment).

Final Exams:

Final Examinations are scheduled, administered and governed by the policies set by the Office of the Registrar. Any student that is granted a deferral by the Office of the Registrar will be required to write a deferred examination at the next exam-writing session scheduled by the Office of the Registrar. Students should note that the deferred exam may not follow the same format as the exam given in the regular writing session.

Students who cannot write a final examination due to illness or other serious causes must file an [online petition](#) **within 72 hours of the missed examination**. Original supporting documentation must also be submitted to the Office of the Registrar **within 72 hours of the missed exam**. Late petitions will **NOT** be considered. If illness is cited as the reason for a deferred exam request, a U of T Medical Certificate must show that you were **examined and diagnosed at the time of illness and on the date of the exam, or by the day after at the latest**. Students must also record their absence on ROSI on the day of the missed exam or by the day after at the latest. Upon approval of a deferred exam request, a non-refundable fee of \$70 is required for each examination approved.

Academic Misconduct:

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Students agree that by taking this course all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site.

Standard of Conduct in this Course:

Since this course is part of a degree designed to give you a broad understanding of the world of business, we aim to run the course in a way which will be consistent with the world of business - where many of you will spend your working lives. We strive to provide accurate information, quality materials and good service, consistent with our obligations to maintain the high academic standards of the Department of Management at the University of Toronto Mississauga

In return we expect that you will conduct yourself in a way that prepares you for the world of work.

1. We start on time, so please do not arrive late and disrupt others.
2. Leaving class early is also disruptive to your colleagues and will not be permitted unless you have made prior arrangements with the instructor.
3. Turn off your cell phone, pager, and watch alarm.
4. Keep up to date. Make sure that you know the class schedule. Check on the course Blackboard page for updates and posted materials.
5. During the class, respect the learning opportunities of others. Don't distract others by chatting to your neighbour. Our expectation is that you will not only contribute in class to your own learning, but also that of others.

Course Schedule

Date	Topic
2013-09-10	Overview: Fixed Income markets, Bond characteristics, Bond Pricing, Repo Market: ch. 1,2,3,4,5
2013-09-17	Yield Curve and Term Structure, Bond Arbitrage: ch. 7, 8
2013-09-24	Duration and Convexity, Shapes of Term Structure, Spread Trading: ch. 7, 8
2013-10-01	Duration and Convexity, Curve Steepening, Butterfly trade-c'd: ch. 7, 8
2013-10-08	Bond Portfolio Management: lecture notes, ch. 7,8
2013-10-15	Models of Interest rates: ch. 9
2013-10-22	Mid-term in class exam
2013-10-29	Models of Interest rates, c'd: ch. 9
2013-11-05	Credit Risk, Credit Spreads and Corporate Bonds: ch. 10
2013-11-12	Structural Models of Default: ch. 10
2013-11-19	Fixed Income Derivatives: Swaps, Futures, CDO, CDS: ch. 15, 16, 17, 18, 19 - overview
2013-11-26	Review class
TBA	Final Examination

Last Date to drop course from Academic Record and GPA is November 4, 2013.