

# Course Outline

<b>Course Code</b>	<b>RSM430 H1S</b>
<b>Course Name</b>	Fixed Income Securities
<b>Term, Year</b>	Winter, 2025
<b>Course Meets</b>	L0101: T 11 am – 1 pm L0201: T 1 pm – 3 pm L0301: W 11 am – 1pm L0401: W 1 pm – 3 pm
<b>Web page URL</b>	<a href="https://q.utoronto.ca">https://q.utoronto.ca</a>

## Instructor Details

<b>Name</b>	<b>Email</b>	<b>Office Hours</b>
Fotini Toliás	Fotini.tolias@rotman.utoronto.ca	TBA on Zoom

## Course Description

This is a capital markets course that describes and educates students on how to apply important fixed income concepts in the world of business. It will emphasize traditional bond and term structure concepts, government participation and current events affecting the functioning of these markets.

## Learning Outcomes

By the end of this course, students will be able to:

- *Understand and develop an expertise in key bond market concepts and how to apply them in a real-world context*
- *Understand how macroeconomic theory relates and impacts the pricing of bonds in the capital markets*
- *Present and effectively communicate fixed income concepts in a thoughtful and informed manner to demonstrate a deep understanding of the fixed income market*

## Course Prerequisites

Rotman Commerce: RSM332H1; Actuarial Science: ACT349H1

## Course Materials

## Required Readings

- Course pack of 4 case studies and Notes on basic theories from Harvard Business Publishing Education, called **RSM 430 Winter 2025**

- **We will not be using a textbook in this course.** The course package contains material on 3 core subjects to help with your studies.

## Electronic Course Materials

This course will be using the following electronic course materials:

- Course pack **RSM 430 Winter 2025** (Harvard Business Publishing Education). The material can be accessed on the Quercus home page:

These materials will cost a total of approximately **\$47.50 US dollars**. The use of these materials complies with all University of Toronto policies which govern fees for course materials

## Evaluation and Grades

Grades are a measure of the knowledge and skills developed by a student within individual courses. Each student will receive a grade on the basis of how well they have command of the course materials, skills and learning objectives of the course.

Work	Percentage of grade	Due Date
Participation Exercise 1	7%	Feb 4 <sup>th</sup> -5 <sup>th</sup> in the FRTL
Mid-Term Test	35%	February 13 <sup>th</sup> , 11am to 1 pm
Participation Exercise 2	7%	Mar 4 <sup>th</sup> -5 <sup>th</sup> in the FRTL
Group Assignment	10%	March 5 <sup>th</sup> by 11:59 pm on Quercus
Group Case Write Up	6%	March 19 <sup>th</sup> , 11:59 pm on Quercus
Final Exam	35%	TBA

## Course Format and Expectations

### *Writing Assignments or Presentations*

The *Group Participation Exercises*, the *Group Case Write Up* and the *Group Assignment* are intended to help you develop your communication skills. How well you communicate your ideas, in writing or orally, will be considered in the evaluation of the assignment. In your written assignments, you should aim for clarity, strong organization, concision, professionalism, and correct grammar. Your presentations should reflect strong planning and organization, clarity of speech, and an engaging demeanor. Sources, whether in written or presentation assignments, should always be correctly attributed.

Support is available through the RC Centre for Professional Skills (CPS) for students who would like help or feedback on their writing or speaking (presentations). CPS offers both individual and group appointments with trained writing instructors and presentation coaches who are familiar with the RC program and common types of business assignments. You can also access your college Writing Centres for help with written assignments.

You can book an appointment with a writing or presentation coach through the RC Centre for Professional Skills Writing Centre. For more information about writing centres, student supports, and study resources, see the [Writing and Presentation Coaching academic support page](#).

### *Group Assignments*

**The Assignment, Case Write Up and the Participation Exercises** require students to work in teams of **2-3 students**. **The students in your groups should be in your section**. Team sign up has been created on Quercus and your **teams should be formed by Wednesday, January 22<sup>nd</sup>**.

Learning to work together in teams is a crucial transferrable skill you will use not only in your coursework, but also in your future careers. Support is available if you encounter common teamwork challenges such as:

- Team members feeling left out of the team.
- Team members not responding in a timely manner to communication.
- Division or quality of work among team members being unequal or unfair.

Consult the [Centre for Professional Skills Teamwork Resources page](#) for tips, strategies, and best practices. You can also [book an appointment with a teamwork mentor](#) through the RC Centre for Professional Skills Writing Centre. Teamwork mentors can help you resolve or mitigate conflict, strategize on planning, or improve team communication.

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, consult with your Accessibility Advisor about the teamwork in this course.

### *Class Participation – 2 in class participation exercises*

Students are expected to prepare thoroughly and make every effort to attend every class. As class participation is a graded component of the course, students will be evaluated on the following:

- Thoughtful responses
- Understanding and analysis of topic
- Idea generation
- Promoting further discussion
- Respectful active listening
- Attentiveness

While attendance is necessary for students to participate in class discussions, attendance on its own will not result in a high participation grade. Students must actively contribute and participate by exhibiting the components listed above.

### *Missed Tests and Assignments*

Students who miss a term test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date.

In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide documentation to support the request, eg. Absence Declaration from [ACORN](#), medical note etc.

**Please note:** As of September 2023, students may use the Absence Declaration on ACORN **\*one time per term\*** to report an absence and request consideration. **Any subsequent absence will require a [Verification of Illness form](#) or other similar relevant documentation.**

Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

### *Class Participation: 2 in-class Group Exercises*

If you miss a participation exercise the weight of the exercise will shift to the remaining participation exercise. Should you miss the 2<sup>nd</sup> participation exercise, the weight of this deliverable will be shifted to the final exam. There are no make-up participation exercises. Should you miss both exercises, then a grade of 0% will apply.

**Mid Term Exam:** **There will be no make-up midterm exam.** Students who miss the regular midterm exam or the conflict sitting for the midterm exam (both tests will be on the same day) for valid documented reasons will have the weight of the test reallocated to the final exam. **This means the final exam may be worth 70%.**

**Late Group Assignment:** All assignments are due on the date and at the time specified in Quercus. Late submissions will normally be penalized by 10% if the assignment is not received on the specified date, at the specified time. A further penalty of 10% will be applied to each subsequent day. **If there is no submission of the group assignment, a grade of 0% will apply. There is no make-up assignment or re-weighting of this deliverable.**

### *Group Case Write-Up:*

You will be assigned a case which I expect you to answer, in a written format. The case write up is due on the date and at the time specified in Quercus. **If there is no submission of the group assignment, a grade of 0% will apply. There is no make-up assignment or re-weighting of this deliverable**

**Re-grade requests:** If you have concerns about the grading of the assignment, please bring these to the attention of the **Lead Teaching Assistant: <>** within one week of the assignment being returned. Re-grade requests submitted after this time period will not be considered. Please re-submit the assignment with a written explanation of your concerns.

**Accommodation for travel:** Please note that **NO** accommodation will be made for *discretionary* travel plans. It is the student's responsibility to know the dates of participation exercises and tests and ensure there is no conflict with travel. It's recommended that you do not make any travel plans during the term until after the last day of the final assessment period to avoid potential conflicts. Otherwise, the result will be a zero (0) for that test.

**Final Exams:** If you miss the final exam in this course for a legitimate reason (illness, etc) you will need to contact your College Registrar to file a petition for a deferred exam. This deferred exam will be written at a later date as established by the Faculty of Arts & Science. Instructions can be found here: <https://www.artsci.utoronto.ca/current/faculty-registrar/petitions-appeals/preparing-petition>

## Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

## Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or visit the [Accessibility Services website](#) for more information as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

## Generative AI / ChatGPT

The knowing use of generative artificial intelligence tools, including ChatGPT and other AI writing and coding assistants, for the completion of, or to support the completion of, an examination, term test, assignment, or any other form of academic assessment, may be considered an academic offense in this course.

## Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers.
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the procedures outlined in the [Code of Behaviour on Academic Matters](#). If you have any questions about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T or RC resources such as the RC Centre for Professional Skills, the College Writing Centres or the Academic Success Centre.

## Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit the [Information Commons Help Desk](#).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

## Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission and may not do so unless permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are excepted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

## Weekly Schedule RSM 430HS

Session	Date	Topic	Readings
1	Jan 7-8	Lecture 1: Overview of the fixed income market, participants, bond features, structures, and bond valuation	Lecture notes; Harvard Note: <i>Introduction to Bonds and Bond Math</i>
2	Jan 14-15	<b>Discuss Case 1: Fixed Income Valuation – Q 5 &amp; 6</b> Lecture 2: The Nominal Yield Curve & Interpolation	Lecture notes/Case 1
3	Jan 21-22	Lecture 3: Understanding the Yield Curve: Spot Rates, Forward Rates, Bootstrapping/ <b>Discuss Case 2: Deutsche Bank Finding Relative Value Trades</b>	Lecture notes: Harvard Note <i>Spot and Forward Rates of Interest/Case 2</i>
4	Jan 28-29	Lecture 4: Building the Yield Curve: Government Bond Auctions & Repo Transactions	Lecture notes
5	Feb 4-5	<b>Discuss Case/Participation Exercise 1</b>	In the FRTL, 2 <sup>nd</sup> floor, Rotman, 105 St. George
6	Feb 11-12	<b>Midterm: Wed. Feb 12<sup>th</sup> from 11:00 am to 1:00 pm - no classes scheduled this week</b>	
<b>February 17<sup>th</sup> - February 21<sup>st</sup> – Reading Week – No Classes</b>			
7	Feb 25-26	Lecture 5: Measuring Interest Rate Risk: Duration, Convexity <b>Discuss Case 3: Arbitrage during the Financial Crisis</b>	Lecture notes; Harvard Note: <i>Duration &amp; Convexity/Case 3</i>
8	Mar 4-5	<b>Discuss Case/Participation Exercise 2</b>	In the FRTL, 2 <sup>nd</sup> floor, Rotman, 105 St. George
<b>March 5<sup>th</sup>, Group Assignment due by 11:59 pm on Quercus</b>			
9	Mar 11-12	Lecture 6A: Corporate Bond Market: Credit & Capital Structure	Lecture notes
10	Mar 18 -19	Lecture 6B: Embedded Calls & Puts	Lecture notes
<b>March 19<sup>th</sup>, Group Case Write-Up due by 11:59 pm on Quercus</b>			
11	Mar 25-26	Lecture 6C: Corporate Bond Market: Credit & Capital Structure	Lecture notes
12	Apr 1-2	Lecture 7: Special Topic ESG in Fixed Income <b>Discuss Case 4: Apple Inc.: The Second Green Bond</b>	Lecture notes

Please note that the last day you can drop this course without academic penalty is Monday, March 10<sup>th</sup>, 2025.

## Other Useful Links

- [Become a volunteer note taker](#)
- [Accessibility Services Note Taking Support](#)
- [Credit / No-Credit in RSM courses](#)
- [Rotman Commerce Academic Support](#)
- [Where to find teaching assistant opportunities](#)

## URL links for print

- ACORN: <http://www.acorn.utoronto.ca/>
- Email Accessibility Services: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca)
- Accessibility Services website: <http://studentlife.utoronto.ca/as>
- University's Plagiarism Detection Tool FAQ: <https://uoft.me/pdt-faq>
- The University of Toronto's Code of Behaviour on Academic Matters: <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>
- Information Commons Help Desk: <http://help.ic.utoronto.ca/category/3/utmail.html>
- Become a volunteer note taker: <https://studentlife.utoronto.ca/program/volunteer-note-taking/>
- Accessibility Services Note Taking Support: <https://studentlife.utoronto.ca/service/note-taking-support/>
- Credit / No-Credit in RSM courses: <https://rotmancommerce.utoronto.ca/current-students/degree-requirements/credit-no-credit-option/>
- Rotman Commerce Academic Support: <https://rotmancommerce.utoronto.ca/current-students/academic-support/>
- Book an appointment with a writing or presentation coach: <http://uoft.me/writingcentres>
- Writing and Presentation Coaching academic support page: <https://rotmancommerce.utoronto.ca/current-students/academic-support/writing-and-presentation-coaching/>
- Centre for Professional Skills Teamwork Resources page: <https://rotmancommerce.utoronto.ca/teamwork-resources>
- Book an appointment with a Teamwork Mentor: <http://uoft.me/writingcentres>