

## **FIN 6547: Interest Rate Risk Management**

**Course Description:** This course covers (a) interest rate risk management concepts like immunization and duration, (b) the role of derivatives (futures, swaps and options) in interest rate risk management, and (c) inflation risk management. Considerable emphasis is placed on motivations to manage interest rate risk and case analysis.

**Prerequisites:** FIN5437, FIN5439, and FIN6545

**Textbook:** (1) *Bond Markets, Analysis and Strategies*, Fourth Edition by Frank J. Fabozzi. (2) The cases used in this course are contained in a readings packet that is available from Target Copy Center, (3) Lecture outlines and other materials are available on line.

**Assignments:** (1) Immunization Problem Set; (2) Futures Problem Set; and (3) Swaps Problem Set. All graded assignments are individual work and no collaboration is permitted.

**Grading:** Immunization Problem Set (20%); Futures Problem Set (20%); Swaps Problem Set (20%); Final Exam (40%)