

**Commerce 4FJ3
Fixed Income Analysis
Winter 2026 Course Outline**

**Finance and Business Economics Area
DeGroote School of Business
McMaster University**

INSTRUCTOR AND CONTACT INFORMATION

Section 1: Friday 2:30 – 5.20 pm

Dr. Anna Danielova

Instructor

adaniel@mcmaster.ca

Office: DSB 322

Office Hours: after class

Tel: (905) 525-9140 x26193

Class Location: See A2L or Mosaic

Student TA

TBA

TAsMACID@mcmaster.ca

Course website: A2L

COURSE ELEMENTS

Credit Value:	3	Leadership:	No	IT skills:	No	Global view:	Yes
A2L:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	No	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	Yes	Final Exam:	Yes	Guest speaker(s):	No

COURSE INFORMATION

Lectures: 3h x1/wk

Tutorials: N/A

Course Delivery Mode: In-person

Course Description: This course provides an advanced treatment of investments in the field of fixed income analysis and focuses on fixed income securities

IMPORTANT LINKS

- [Mosaic](#)
- [Avenue to Learn](#)
- [Student Accessibility Services - Accommodations](#)
- [McMaster University Library](#)

COURSE LEARNING OUTCOMES

Upon successful completion of this course, students will be able to complete the following key tasks:

- Understand the role and impact of interest rates and government monetary policy
- Price various types of fixed-income instruments
- Understand the workings of the different segments of the fixed-income capital markets
- Understand how financial engineering contributed to the development of fixed income markets

COURSE LEARNING GOALS

This course provides an advanced treatment of fixed income analysis. Upon completion, students will gain knowledge of bond analysis, term structure of interest rates, interest rate sensitivity of fixed income securities, as well as sectors of the fixed income market, including but not limited to municipal, agency, treasury, corporate, money-market, mortgage-backed securities, and asset-backed securities.

CAREER FOCUS

Students pursuing careers in the financial services industry and financial markets, including professional money management careers (i.e., with investment counseling firms, mutual funds, insurance companies, hedge funds, etc.), investment banking careers, and general financial careers. The tools developed may be useful for one's personal financial management.

REQUIRED MATERIALS AND TEXTS

I have prepared a comprehensive, self-contained **set of slides** that serve as the primary reference materials for the course. The slides will be made available weekly on the A2L course page. Beyond the assigned textbook chapters, there will be **supplementary readings** available on A2L (relevant articles from industry, academia, and the popular press will be provided throughout the course). Students should read articles and reading materials **before** coming to each class.

The following **textbook** is useful as recommended background material throughout this course:

Bond Markets, Analysis, and Strategies by F.J. Fabozzi and F.A. Fabozzi, 10th edition. (FF) \$195 CAD

[Bond Markets, Analysis, and Strategies, tenth edition by Frank J. Fabozzi and Francesco A. Fabozzi | Penguin Random House Canada](#)

Relevant chapters from FF are shown in the course outline at the end of this document.

Two **case studies** will be used in the course that will require direct purchase from Harvard Business Publishing at the link below. Price is \$4.95 USD per case.

<https://hbsp.harvard.edu/import/1344191>

CLASS FORMAT

This is an in-person 3-hour course. The three hours will consist of lectures, problem-solving, and cases. There will be a short break partway through at a

convenient time based on what we are working on. Please use this time to take care of personal needs of various kinds.

COURSE EVALUATION

All work will be evaluated on an individual basis, except in certain cases where group work is expected. In these cases, group members will share the same grade adjusted by peer evaluation if necessary. Your final grade will be calculated as follows:

Grade Components and Weights	
Problem sets (group) (2*10%)	20%
Case submissions (group) (2*5%)	10%
Midterm (individual)	30%
Final (individual) (not cumulative)	35%
Participation (individual) ¹	5% ²
Total	100%

COURSE DELIVERABLES

Assigned Problems and Cases

Assigned Problem sets and cases are due on the day scheduled. You should highlight your answers to numerical problems as well as key points on essay questions. You are to work on problem sets and case assignments in groups of *four* people. Groups facilitate communication that can aid the learning process. However, *there should be no communication at all between different groups regarding case assignments and problem sets*. Case Assignments and problem sets are intended to be an incentive to keep up with course material, as opposed to “cramming” at the last moment.

Note: *When you form your group, please send me an email message with the name of each member of the group, and be sure that all members of your group receive a carbon copy (CC) of this message.* I will reply by assigning you a group number that you will use when you hand in assignments.

¹ Participation comprises answering eight short quizzes in class and two case discussions.

² Any student who demonstrates disrespectful to others and/or disruptive conduct in class will receive automatic zero for participation component.

Midterm and Final Exams

Examination questions will be similar in nature to the problems assigned or worked on during class. Exams are closed-book and notes. However, you are allowed to bring 2-page note-sheets. I do not want to test your memory, but the knowledge

Participation

Name cards are used to help give credit for your participation, especially during days we have case discussions. You must have a name card with your full first and last name clearly written and displayed in front of you for every class.

Expectations

Since this course makes extensive use of reading materials, cases, and class discussions, it is imperative that the class, both as individuals and collectively, prepare for each class and participate in the discussion. Students who are absent or passive during discussions will not score well on this dimension. I also reserve the right to cold-call anyone at any time.

Logistics

Everything regarding the course (including syllabus, lecture notes, assignments, the project, announcements, etc.) will be posted on A2L. It is your responsibility to follow up on the A2L page to be current with the class. Lecture notes, if available, should be downloaded before each lecture. Have them ready for every class.

Calculators

Calculators are encouraged for the exams, and for all practical purposes, are required. Calculators must be silent. Notebook PCs are not allowed during the exams. A financial calculator is required in addition to a standard scientific calculator.

LATE ASSIGNMENTS

Assigned Problem sets and cases are due on the day scheduled. Late submissions will not be accepted for grading.

COMMUNICATION AND FEEDBACK

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student.

All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.
- For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar [“Requests for Relief for Missed Academic Term Work”](#) and the link below*;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

COURSE MODIFICATION

From time to time, there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

GENERATIVE AI

USE PROHIBITED

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. Avenue to Learn, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. **All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn, LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their

Faculty Office ***normally within 10 working days*** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, Avenue to Learn and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce **4FJ3** will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

Commerce 4FJ3 Fixed Income Analysis Winter 2026 Tentative Course Schedule³

Week	Date	Topic	Reading	Cases
1	1/9	Introduction Bond Prices and Yields	Ch 2, 3	
2	1/16	Term Structure of Interest Rates Theories of Term Structure Problem set 1 is given	Ch 5, 6	
3	1/23	Price volatility characteristics of fixed-income securities Options	Ch 4	
4	1/30	Options Bonds with embedded options	Ch 21	
5	2/6	Problem set 1 is due Case Application Case 1: Wilson Family Foundation due Midterm Review	Download from HBS	<i>Wilson Family Foundation</i>
6	2/13	MIDTERM Money Market Securities		
7	2/20-26	Mid-Term Recess		
8	2/27	Problem Set 2 is given Treasury Securities Corporate Debt	Ch 7, 8	
9	3/6	Corporate Debt Municipal Bonds	Ch 9	
10	3/13	Problem Set 2 is given Residential Mortgage Market	Ch 11, 12	
11	3/20	The Market for Residential MBS Securitization	Ch 13, 14, 15, 16	
12	3/27	Case Application Case 2: Western Asset Arbitrage due Final Review	Download from HBS	<i>Western Asset Arbitrage</i>
13	3/30	Problem Set 2 is due		
13	4/3	Good Friday		
	4/9-4/22	FINAL		

³ Every effort will be made to manage the course as stated here. However, adjustments may be necessary for various reasons at the discretion of the professor. Any alterations will be announced prior to being implemented.