

# MA 308 ~ THEORY OF INTEREST

## SELF STUDY

DUE OCTOBER 4, 2022 ~ IN CLASS

The purpose of this assignment is to help you build the learning skills necessary in the work place. You are to research spot rates and forward rates (note these may be included in “yield curve” discussions). You are expected to research the topic using credible sources (a bibliography is required, but does not have to be extensive). Then you must address the following:

1. identify at least four specific deadlines for when work must be done in order to complete the entire task on time and hold yourself accountable to meeting those deadlines
2. define each term in your own words
3. identify key relationships between the term and other ideas in financial mathematics
4. identify at least one common, general problem associated with each term (do not present a sample problem, instead identify the characteristics that the problem will have)
5. describe in “English” a step-by-step solution process to solve each problem
6. completely work at least one example of each problem showing how your process works to generate correct solutions

General guidelines:

- Submit an itemized schedule with due dates that will allow you to complete the entire project well and on-time to your professor the next class period. Submit a copy of the due dates that includes the dates tasks were actually completed with your final submission.
- You may talk with each other generally about ideas, but you must create your own definitions, processes, etc. You may use problems found in other texts/online, but you must cite them. Papers who present original problems will likely earn higher grades. Any assistance received from your professor is acceptable.
- You are to present your work as a study guide. The easier it will be to study from, the more likely it will be to earn a higher grade. Consider ideas like neatness, very limited use of white space, color coding, organization of content, etc.

Grading Guidelines: Each topic will be graded independently. The following outlines how each section will be evaluated.

- A “C” paper will have addressed each of the above criteria with adequate presentation/organization for study purposes, have correct content, with adequate start on the discussion of ideas/relationships, and a good start on the solution process(s) for at least one problem type (which might need some refinement).
- A “B” paper will have addressed each of the above criteria with more than adequate presentation/organization for study purposes, have correct content, with thorough/clear discussions of ideas and relationships (while still remaining succinct), and clear solution process(s) for at least one problem type.
- An “A” paper will have addressed each of the above criteria with efficient and effective presentation/organization for study purposes, have correct content, with thorough/clear discussions of ideas and relationships (while still remaining succinct), clear solution process(s) for at least one problem type, and have demonstrated that they met their self-imposed deadlines.

SPOT RATES

1. (~ 10%) Strategic Presentation: neatness, limited use of white space, color coding, organization of content, etc.

$F \text{ --- } D^- \text{ --- } D \text{ --- } D^+ \text{ --- } C^- \text{ --- } C \text{ --- } C^+ \text{ --- } B^- \text{ --- } B \text{ --- } B^+ \text{ --- } A^- \text{ --- } A \text{ --- } A^+$

2. (~ 35%) Effective Communication: correct and complete content  
(definitions, relationships between concepts, problem characteristics, solution processes, example)

$F \text{ --- } D^- \text{ --- } D \text{ --- } D^+ \text{ --- } C^- \text{ --- } C \text{ --- } C^+ \text{ --- } B^- \text{ --- } B \text{ --- } B^+ \text{ --- } A^- \text{ --- } A \text{ --- } A^+$

FORWARD RATES

1. (~ 10%) Strategic Presentation: neatness, limited use of white space, color coding, organization of content, etc.

$F \text{ --- } D^- \text{ --- } D \text{ --- } D^+ \text{ --- } C^- \text{ --- } C \text{ --- } C^+ \text{ --- } B^- \text{ --- } B \text{ --- } B^+ \text{ --- } A^- \text{ --- } A \text{ --- } A^+$

2. (~ 35%) Effective Communication: correct and complete content  
(definitions, relationships between concepts, problem characteristics, solution processes, example)

$F \text{ --- } D^- \text{ --- } D \text{ --- } D^+ \text{ --- } C^- \text{ --- } C \text{ --- } C^+ \text{ --- } B^- \text{ --- } B \text{ --- } B^+ \text{ --- } A^- \text{ --- } A \text{ --- } A^+$

- (~ 10%) Appropriate project management

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Penalty: poor presentation, failure to follow directions, appropriate bibliography, etc.

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