Term Structure Models

Detailed outline

1. One-factor models
   (a) Vasicek model
   (b) Gaussian models
   (c) CIR model
   (d) Affine models

2. Multi-factor models

3. Affine multi-factor models

4. HJM model of forward rates

5. Derivatives

Readings

Duffie, chapter 10.


Problems

Duffie 7.1, 7.3, 7.7, and 7.8.