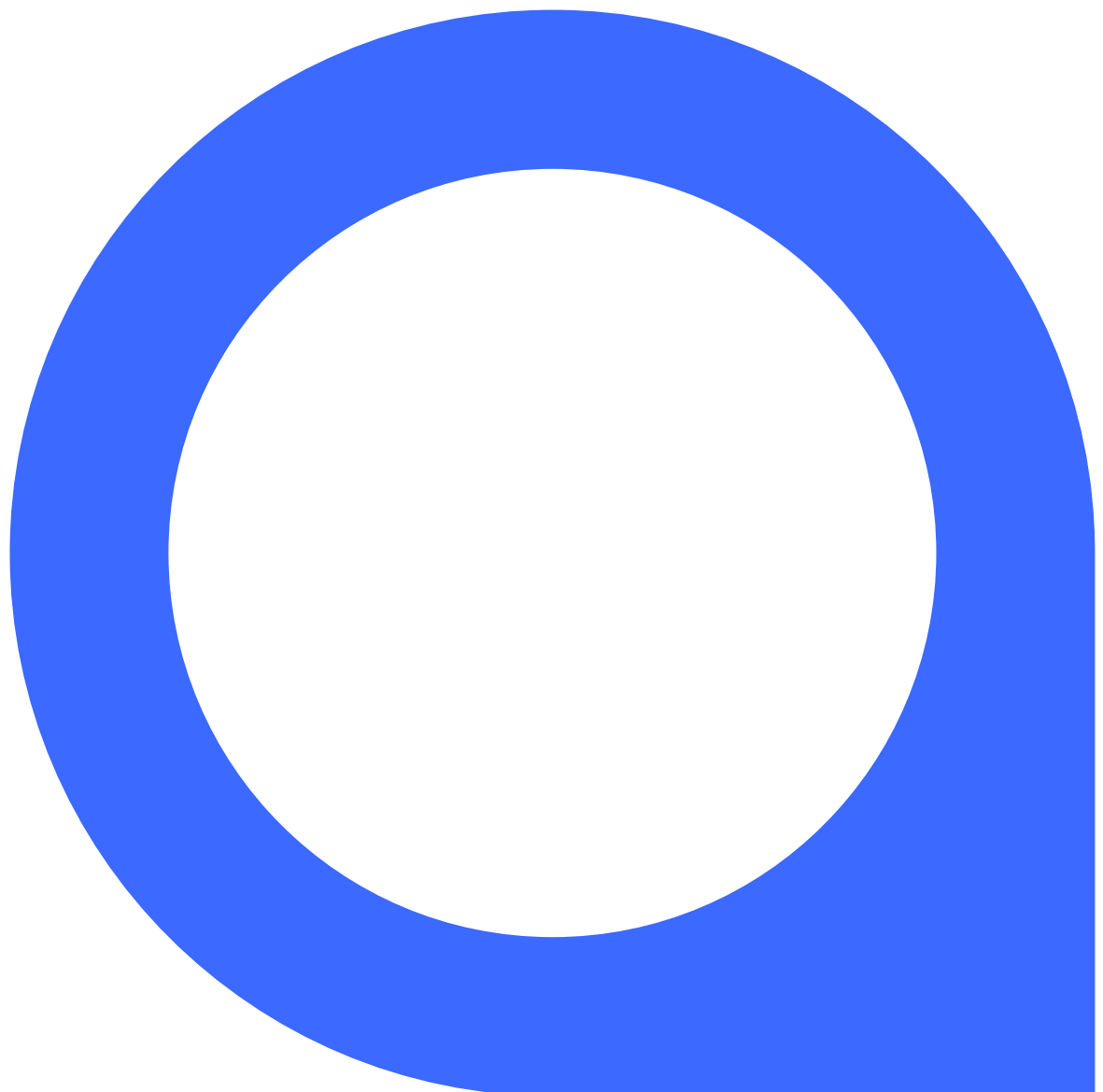


Asset Liability Management

Assignment Semester 2 2025 – Marking Rubric



Question	Weight	Significantly above pass level	Above pass level	Pass level	Below pass level	Significantly above pass level
		5	4	3	2	1
Written communication	10%	<p>Error-free grammar and sentence structure</p> <p>Consistently professional and precise language</p> <p>Technical concepts explained clearly and accessibly for readership</p> <p>Excellent logical flow and organisation throughout</p>	<p>Minor grammar errors that don't impede understanding</p> <p>Professional language throughout</p> <p>Technical concepts are mostly explained clearly, but may use some unexplained jargon</p> <p>Good logical flow with clear organisation</p>	<p>Mostly correct grammar with occasional minor errors</p> <p>Generally professional language with minimal lapses</p> <p>Technical concepts are adequately explained but may be unclear in parts</p> <p>Clear structure that is easy to follow</p>	<p>Grammar errors interfere with understanding</p> <p>Language is sometimes inappropriate for professional readership, or occasionally distracting evidence of LLM usage</p> <p>Technical concepts are poorly explained or unclear to the reader at times</p> <p>Poor organisation affects comprehension</p>	<p>Frequent grammar errors prevent clear communication</p> <p>Language is sometimes inappropriate for professional readership, or distracting evidence of LLM usage</p> <p>Technical concepts not explained or incomprehensible</p> <p>Very poor structure impedes understanding</p>
1a Market operation	10%	<p>Comprehensive explanation of primary and secondary market operations with specific examples and mechanisms</p> <p>Shows how primary and secondary markets differ with detailed comparison</p> <p>Demonstrates how these markets affect bond yields at various maturities with clear cause-and-effect relationships</p>	<p>Good explanation of primary and secondary market operations with adequate detail</p> <p>Shows how primary and secondary markets differ from each other</p> <p>Shows how these markets affect bond yields at various maturities with some explanation</p>	<p>Basic explanation of primary and secondary market operations covering main elements</p> <p>Shows how primary and secondary markets differ from each other</p> <p>Shows how these markets affect bond yields at various maturities</p>	<p>Limited explanation of primary and secondary market operations with significant gaps</p> <p>OR unclear about how primary and secondary markets differ</p> <p>OR limited understanding of how these markets affect bond yields</p>	<p>Minimal explanation of market operations</p> <p>Poor understanding of market differences and yield determination</p> <p>Major errors in basic concepts</p>

Question	Weight	Significantly above pass level	Above pass level	Pass level	Below pass level	Significantly above pass level
		5	4	3	2	1
1b Market participants	10%	<p>Explains each category of market participant with detailed characteristics</p> <p>Links these characteristics to market behaviours and influence over the last 20 years</p> <p>Leverages analysis to provide well-reasoned predictions for the likely top 3 future categories with strong justification</p>	<p>Explains main participant categories with characteristics</p> <p>Links characteristics to their market behaviour over most of the last 20 years</p> <p>Uses analysis to provide reasonable future predictions with adequate justification</p>	<p>Explains appropriate participant categories</p> <p>Makes basic connections between characteristics and market behaviour over some of the last 20 years</p> <p>Uses some analysis to support future predictions providing some limited justification</p>	<p>Explains participant categories adequately but makes limited or weak connections between characteristics and market behaviour</p> <p>Superficial treatment of historical trends</p> <p>Future predictions lack adequate justification or contain notable errors</p>	<p>Poor understanding of market participant categories with significant errors</p> <p>No connections made between participant characteristics and market behaviour</p> <p>Future predictions are unsupported guesses or contain major errors</p>
1c Market factors	15%	<p>Explains four factors demonstrating transmission mechanisms, directional impacts, and timing considerations</p> <p>Covers immediate versus long-term effects across at least three maturities ranging from 2 to 30 years</p> <p>Addresses both yield curve level and shape impacts over the next five years</p>	<p>Explains four factors demonstrating directional impacts with basic reasoning and some timing considerations</p> <p>Covers at least three maturities ranging from 2 to 30 years</p> <p>Addresses either yield curve level or shape impacts</p>	<p>Explains four factors demonstrating directional impacts with basic reasoning for relationships</p> <p>Covers at least two maturities ranging from 2 to 30 years</p> <p>Shows some understanding of yield curve impacts</p>	<p>Explains fewer than four appropriate factors OR provides directional impacts without adequate reasoning for relationships</p> <p>Limited coverage of maturities</p> <p>Weak understanding of yield curve dynamics</p>	<p>Explains very few relevant factors</p> <p>Provides minimal explanation of impacts</p> <p>Demonstrates poor understanding with significant errors</p>

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		5	4	3	2	1
2 Return components	15%	<p>Analyses each component (e.g. inflation-related, uncertainty-related, term premium, liquidity) with detailed reasoning for both the 10- and 30-year bonds</p> <p>Clearly differentiating between maturities with explanations for why components differ between bond maturities</p> <p>Provides forward looking analysis for the next 5 years</p>	<p>Analyses each component with directional impacts and detailed reasoning for both bonds</p> <p>Demonstrates some differentiation between maturities</p> <p>Provides some forward-looking analysis</p>	<p>Analyses main components with directional impacts and basic reasoning for both bonds</p> <p>Demonstrates basic differentiation between maturities</p> <p>Provides limited forward-looking analysis</p>	<p>Analyses components incompletely OR provides directional impacts without adequate reasoning</p> <p>Limited differentiation between maturities.</p>	<p>Minimal analysis of components OR fails to adequately cover both bond maturities</p> <p>Demonstrates poor understanding</p>

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Question	Weight	Significantly above pass level	Above pass level	Pass level	Below pass level	Significantly above pass level
		5	4	3	2	1
3 Bond calculations	10%	<p>a. Correct calculation with all steps clearly shown; proper use of semi-annual compounding; correct present value formula application; final answer accurate to 2 decimal places; demonstrates mastery of bond pricing</p> <p>b. Both new price and percentage loss calculated correctly; clear step-by-step working shown; demonstrates understanding of inverse relationship between yields and prices; accurate to 2 decimal places</p>	<p>a. Correct calculation with most steps shown; proper use of semi-annual compounding; minor computational errors that don't affect methodology; final answer within reasonable range; demonstrates good understanding</p> <p>b. Both new price and percentage loss calculated with minor errors; working mostly shown; understands yield-price relationship; results within reasonable range</p>	<p>a. Correct methodology demonstrated; understands semi-annual compounding concept; some computational errors but approach is sound; final answer in reasonable range; demonstrates basic competency</p> <p>b. Attempts both calculations; demonstrates basic understanding of yield-price relationship; some errors in calculation but methodology generally sound</p>	<p>a. Attempted calculation but notable errors in methodology; may not properly account for semi-annual compounding; notable computational errors; final answer unreasonable; Limited understanding</p> <p>b. Attempts calculations but notable errors; may not properly calculate percentage loss; shows limited understanding of concepts</p>	<p>a. No meaningful or reasonable attempt at calculation; or completely incorrect methodology; no understanding demonstrated</p> <p>b. No meaningful attempt at either calculation; or completely incorrect approach; no understanding demonstrated</p>
4 Strategy analysis	20%	<p>Provides well-reasoned recommendation supported by calculations from earlier assignment parts</p> <p>Addresses all four specified considerations</p> <p>Demonstrates sophisticated understanding of asset-liability matching</p> <p>Considers multiple scenarios</p>	<p>Provides clear recommendation supported by calculations</p> <p>Addresses three specified considerations well</p> <p>Demonstrates good understanding of asset-liability matching</p>	<p>Makes a recommendation with supporting reasoning</p> <p>Demonstrates basic understanding of key concepts</p> <p>Addresses two specified considerations well</p>	<p>Weak or unclear recommendation or limited supporting reasoning</p> <p>Addresses only one consideration well</p> <p>Demonstrates limited understanding of concepts</p>	<p>No recommendation made; or recommendation not supported by reasoning</p> <p>Demonstrates poor understanding of concepts</p>

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Question	Weight	Significantly above pass level	Above pass level	Pass level	Below pass level	Significantly above pass level
		5	4	3	2	1
5 Video presentation	10%	States clear and concise recommendation With well-developed supporting reasoning Demonstrates understanding of key considerations No more than 2 minutes with language appropriate for the audience	States clear recommendation With adequate supporting reasoning Shows understanding of main considerations No more than 2 minutes with language appropriate for the audience	Makes recommendation With basic supporting reasoning Shows some understanding of considerations No more than 2 minutes with language generally appropriate for the audience	A recommendation With weak supporting reasoning OR Between 2 and 4 minutes	No recommendation OR No supporting reasoning OR 5 minutes or more OR Not understandable

Students are advised that a mark of zero (0) will be allocated for any question (or sub-question) where there is no attempt made or the marker finds the attempt is completely unsatisfactory.