candidates should be able to:

Demonstrate knowledge of single factor default-free bond models. Including:

* Define traditional duration
* Interpret duration in the case of a fixed coupon bond
* Interpret and apply the duration for a bond portfolio
* Describe how the duration of a long-only bond portfolio can be used to manage interest rate risk
* Identify challenges and solutions for using duration when cash flows are stochastic
* Explain duration as it relates to the longevity of a zero-coupon bond
* Discuss and apply hedging or immunizing a long-short portfolio with duration through time
* Explain extensions to traditional duration