

The subject of this thesis is to review the pricing and valuation of forward rate agreements and fixed-for floating interest rate swaps. Firstly, we describe a pricing and valuation model that was used before the financial crisis of 2007/2008. The model is based on one curve which is used for both estimating the derivative's payoff and discounting, thus we call the model a single-curve model. After the financial crisis some of the single-curve's model assumptions were impaired and the model had to be reviewed. We call the reviewed model a multi-curve model as we nowadays need a different curve for discounting and estimating the payoffs. Both models are compared on a numerical example where we value fixed-for-floating swaps.