

Financial Derivatives

Course Title	Financial Derivatives		
Course Code	FIN 619	Course Type	Specialization or Elective
Credit	3	Contact Hours	45 Hours
Prerequisites	FIN501	Co-Requisites	None
Duration	15 Weeks	Class Type	Lecture

SolBridge GACCS Objectives	%	Learning Objectives
1. Global Perspective	30	Students will be equipped with conceptual and analytical tools needed for financial derivatives. Classroom case discussions and conceptual material will cover a wide range of countries from American, Europe and Asia. The objective of this course is to provide the students necessary knowledge to value and apply options, futures, swap and the other financial derivatives.
2. Asian Expertise	10	
3. Creative Management Mind	50	
4. Cross Cultural Communication	0	
5. Social Responsibility	10	

Course Description

The objective of this course is to provide the students necessary knowledge to value and apply options, futures, swap and the other financial derivatives. Fundamental financial concepts related to derivatives, futures and hedging of financial risks, financial options, pricing of futures and options, characteristics of swaps and their use in risk management, social responsibility, futures and option markets function and mechanism will be covered. We will focus on the application of derivatives at firms and financial institutions for hedging purposes and financial innovation in the global market.

Learning and Teaching Structure

The Course will be taught as a mixture of lectures, exercises and case studies. Each session will involve class discussion. In some instances, discussion will be on lectures; in others it will be on a finance case in the global market. You should read the cases, come to class, and participate in class discussion.

Assessment	%	Text and Materials
Attendance	10	Hull, John, "Options, Futures, and Other Derivatives", 8 th edition, Pearson, 2012 Robert Bruner, "Case Studies in Finance", 6 th edition, McGraw Hill, 2010
Homework	20	
Midterm Exam	30	
Final Exam	40	

Course content by Week

1	Overview, Global Market, Social Responsibility
2	Mechanics of Futures and Forward Markets
3	Mechanics of Options Markets
4	Trading Strategies Involving Options
5	Hedging Strategies Using Futures
6	Binomial Trees
7	Black-Scholes-Merton Model
8	Interest Rate; Forward and Futures Prices
9	Swaps; Credit Derivatives
10	Hedging Foreign Currency Cash Flows
11	Currency Risk Management
12	Convertible Bond
13	Exotic Options
14	Weather, Energy, and Insurance Derivatives
15	Final