

Financial Derivatives

Course Title	Financial Derivatives		
Course Code	FIN430	Course Type	Finance Specialization
Credit	3	Contact Hours	45
Prerequisites	FIN305	Co-Requisites	None
Duration	15 weeks	Class Type	Lecture

SolBridge GACCS Objectives	%	Learning Objectives
1. Global Perspective	50	1. Provide students with the practical knowledge of financial derivatives and their risk management. 2. Understand various risks in the financial industry is getting more important and we'll study how to manage them.
2. Asian Expertise	20	
3. Creative Management Mind	20	
4. Cross Cultural Communication	0	
5. Social Responsibility	10	

Course Description

This course introduces students to valuation methods of options, futures, and related financial contracts, including futures contracts; strategies with respect to these assets; dynamic asset allocation strategies, swaps; and the use of derivatives in the context of corporate applications.

Learning and Teaching Structure

We try to use bottom-up or inductive approach to understand various topics and the lectures will be interactive. Real world examples and computational problems will be given and discussed in detail. The course is going to be self-complete meaning that essentially no prerequisites are necessary. This course, however, contains a significant amount of technical material and so students do need analytical and problem-solving skills along with deep thought to keep up with the course. Students are required to engage in group work during the semester. Each group needs to analyze a topic and make a presentation near the end of semester

Assessment	%	Text and Materials
Attendance and Participation	20	Title: Futures and Options Author(s): Sunil K Parameswaran Publisher: McGraw Hill, 2011
Presentation	20	
Midterm Examination	20	
Final Examination	40	

Course content by Week

1	Overview
2	Introduction to Derivatives
3	Valuation of Forward Contracts
4	Valuation of Forward Contracts
5	Hedging and Speculation
6	Foreign Exchange Forwards and Futures
7	Stock and Stock Index Futures
8	Midterm Examination
9	Fundamentals of Options
10	Arbitrage Restrictions
11	Option Strategies and Profit Diagrams
12-13	Group Presentations
14-15	Review and Final Examination