

Enquire Teaching Timetable

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Course Outcome

FINA 4110 - Options and Futures

Learning Outcome

This course is designed to study derivative securities and markets. Three fundamental issues will be addressed: operations of various derivative markets; pricing of derivative assets; and their applications in investments and financial management.

The course is conceptual in orientation due to the nature of the material covered. However, practical applications are emphasised. The key is to understand the basic concepts of the subject matter and to relate them to real-world financial issues. The students are expected to have some knowledge of calculus and statistics.

Course Syllabus

Futures Markets,
Hedging with futures & Forward and Futures Pricing
Interest Rate futures & Swaps
Mechanics of Options markets & Property of stock option
Option trading strategy
Binomial Trees Model
Black-Scholes option model
Options on Stock Indices, Currencies & Futures options
Option Risk – Greek Letters
Volatility Prediction

Assessment Type

	Assessment Type	Current Percent
1	Examination	80
2	Homework or assignment	20

Feedback for Evaluation

CTE Questionnaires
Reflection of instructors

Required Readings

~ Fundamentals of Futures and Options Markets, John Hull, 7th Edition, Pearson, 2011
~ Cases in Financial Engineering: Applied Studies of Financial Innovation, Scott P. Mason, Robert C Merton, Andre F. Perold and Perter Tufano, Prentice-Hall, 1995

Recommended Readings