

FIN359 Derivative Securities

Level: 3

Credit Units: 5 Credit Units

Language: ENGLISH

Presentation Pattern: EVERY JULY

Synopsis:

Derivative securities have become very important for risk management in businesses. Understanding how derivative securities can be used to hedge interest rate risk, currency risk, equity portfolio risk and credit risk is very important for students of finance. This course will equip students with the knowledge and skills needed for using derivative securities to hedge financial risk.

Topics:

- Basics of Call and Put Options, Put-call Parity
- Option Pricing (Binomial and Black-Scholes model) and Greeks in Options
- Commodity Price Risk Management
- Interest Rate Risk Management
- Equity Portfolio Risk Management
- Currency Risk Management and Credit Risk Management

Textbooks:

John C. Hull,: Fundamentals of Futures and Options Market 6 Pearson
ISBN-13: 9781292155043-AA

John C. Hull,: Fundamentals of Futures and Options Market 6 Pearson
ISBN-13: 9781292155043

Learning Outcome:

- Describe the basics of options
- Apply option pricing models to value options
- Design strategies to hedge interest rate risk
- Develop hedging techniques for currency risk management
- Propose strategies to hedge equity portfolio risk
- Construct strategies to manage credit risk
- Apply valuation models to value options
- Formulate strategies to hedge interest rate risk, currency risk, credit risk, and equity portfolio risk
- Demonstrate the essential knowledge and interpersonal skills to work effectively in a team
- Demonstrate proficiency in writing

Assessment Strategies:

Continuous Assessment Component	Weightage (%)
PRE-COURSE QUIZ	2
PRE-CLASS QUIZ	2
PRE-CLASS QUIZ	2
TUTOR-MARKED ASSIGNMENT	38
PARTICIPATION	6
Sub-Total	50

Examinable Component	Weightage (%)
Written Exam	50
Sub-Total	50

Weightage Total **100**