



GRA 6535 Derivatives

Studium

Master of Science (Financial Economics)

Kursansvarlig

Bernt Arne Ødegaard

Institutt

Finansiell økonomi

Semester

Høst

Vekttall

2

Mål

A thorough understanding of the workings and pricing of derivative securities.

Forkunnskaper

Financial Theory, Introduction to Derivatives and Risk management

Obligatorisk litteratur

Hull, John C. 2002. *Options, futures and other derivatives*. 5th ed. Upper saddle river, NJ: Prentice-Hall.

Anbefalt litteratur

Emneoversikt

1. Derivative Payoffs
2. Derivative combinations
3. Arbitrage bounds
4. The binomial model and its continuous time limit.
5. The mathematics of continuous time (heuristically).
6. The Black Scholes model.
7. Adjusting the Black Scholes and binomial to price futures and currency options.
8. Delta hedging
9. The basics of the term structure of interest rates.
10. Modelling the evolution of the term structure of interest rates.
11. Fixed income derivatives.
12. Credit derivatives.
13. Exotic derivatives.

Dataverktøy

Vil bli brukt

Gjennomføring

Forelesninger

Eksamen

Homeworks and three hour written exam. The homeworks will count for 25% of the grade.

Eksamenskode(r)

GRA 65351 homework 25%

GRA65352 Three hour written exam

Hjelpemidler til eksamen

Calculator, Berck and Sydsæter, Economists' mathematical manual, in Norwegian or English

Kontinuasjon

At the next ordinary exam