

**NATIONAL TAIWAN UNIVERSITY**  
**College of Management**  
**Options and Futures**

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Spring 2012  
Wednesday 14:20-17:20  
02-33664987

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**COURSE DESCRIPTION**

The major goal of this course is to provide students with complete understanding of many modern financial instruments (新金融商品) and their markets, such as forward and futures, swaps, and options. This course will analyze the price movement behavior of these financial instruments and introduce the basic pricing models for them. The methods to apply this financial instruments for hedging (避險) will also be covered. In addition, the trading strategies associated with these financial instruments will be introduced. Finally, although this is a course designed originally for students majoring in Finance, I believe the knowledge mentioned in this course is important and indispensable even for a student who majors in (International) Business.

**TEXT AND REFERENCES**

Lecture Notes: <http://www.management.ntu.edu.tw/~jywang/> → Course Information →  
Options and Futures (undergraduate level).

Required: Fundamentals of Futures and Options Markets, by J. C. Hull, 7<sup>th</sup> ed., 2010.

**OFFICE HOURS**

Monday 14:00-16:00

Room 513, Building 2, College of Management

**EXAMS AND GRADINGS**

Midterm Exam	50% (on April 16 <sup>th</sup> )
Final Exam	50% (on June 18 <sup>th</sup> )

## **COURSE OUTLINE**

1. Introduction (Chapter 1)
2. Forward and Futures (Chapters 2-3)
3. Interest Rates (Chapter 4)
4. Forward and Futures Prices and Values (Chapter 5)
5. Interest Rate Futures (Chapter 6)
6. Swaps (Chapter 7)
7. Options Markets (Chapter 9)
8. Basic Properties and Trading Strategies of Stock Options (Chapters 10-11)
9. Stock Options Pricing-Binomial Tree and Black-Scholes Models (Chapters 12-13)
10. Options on Stock Indices, Currencies, and Futures (Chapters 15-16)
11. The Greek Letters (Chapter 17)

## **TEACHING ASSISTANT**

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