

Minnesota State University Moorhead

FINC 563: Futures and Options

A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 45

Lab Hours/Week: 0

OJT Hours/Week: *.*

Prerequisites: None

Corequisites: None

MnTC Goals: None

Advanced study of the pricing and use of derivative market instruments, current topics and issues.

B. COURSE EFFECTIVE DATES: 08/20/2012 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

1. The Structure of Options Markets
2. Swaps
3. Principles of Option Pricing
4. Option Pricing Models: The Binomial Model
5. Option Pricing Model: The Black-Scholes Model
6. Basic Option Strategies
7. Advanced Option Strategies
8. The Structure of Forward and Futures Markets
9. Principles of Pricing Forward, Futures and Options on Futures
10. Forward and Futures Hedging, Spread, and Target Strategies

D. LEARNING OUTCOMES (General)

1. Examine the structure and characteristics of options markets.
2. Describe principles of option pricing models.
3. Apply the Binomial Option Pricing Model.
4. Apply the Black-Scholes Option Pricing Model and evaluate option price sensitivities.
5. Evaluate basic option strategies.
6. Evaluate advanced option pricing strategies.
7. Examine the structure and characteristics of forward and futures markets.
8. Apply pricing of forwards, futures and option on futures.
9. Evaluate forward and futures hedging, spread, and target strategies.
10. Apply pricing of swaps and evaluate the use of swap contracts.

E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

F. LEARNER OUTCOMES ASSESSMENT

As noted on course syllabus

G. SPECIAL INFORMATION

None noted