



INTEGRATED MASTER PROGRAM (IMP)

MEP Master of Economics and Politics

MF Master of Finance

MIE Master of Internet Economics

Course title	Futures and Options		
Instructor	JProf. Dr. Eva Lütkebohmert-Holtz	Semester	2nd
ECTS (credit points)	6	Contact hours (SWS)	2+2
Prerequisites	Principles of Finance		
Learning target/ qualification	Introduction to basic principles of risk-neutral valuation of futures, standard and exotic options as well as interest rate derivatives.		
Content	In this course we introduce financial models in discrete as well as in continuous time and explain the basic principles of risk-neutral valuation of derivatives. Besides futures and standard put and call options of European and American type a number of more sophisticated derivatives and exotic options are introduced as well. We also discuss interest-rate sensitive instruments such as swaps as well as credit derivatives such as credit default swaps.		
Exam type	120 min. written examination at the end of the semester Possibility to obtain extra credits for presentation of tutorial questions		
Literature	<p>Chance, D.M., Brooks, R.: <i>An Introduction to Derivatives and Risk Management</i>, 8th ed., South-Western, 2009.</p> <p>Hull, J.C.: <i>Options, Futures, and other Derivatives</i>, 7th ed., Prentice Hall, 2009.</p> <p>Bielecki, T.R.; Rutkowski, M., <i>Credit Risk: Modeling, Valuation and Hedging</i>, Springer, 2002.</p> <p>Strong, R.A.: <i>Derivatives. An Introduction</i>, 2nd ed., South-Western, 2004.</p>		
Additional Information & Links	http://www.prim.uni-freiburg.de/lehre/ws-2011-2012/futures-and-options		