Minnesota State University Moorhead

FINC 463: Futures and Options

A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: *.*

Prerequisites: FINC 360

Corequisites: None MnTC Goals: None

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

B. COURSE EFFECTIVE DATES: 06/01/1995 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

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

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

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G. SPECIAL INFORMATION

None noted

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