Catalog Description:
Introduction to the evaluation of options, futures, and other derivatives, interest models and risk management techniques. Includes material from examinations by the Society of Actuaries and the Casualty Actuarial Society.

Prerequisite:
{C- or better in 3618, or credit for 618, or permission of department} –and– {C- or better in 4530 or Stat 4201 or credit for 530 or Stat 420}.

Exclusions:
Restricted to actuarial science majors, math majors, and students with graduate standing.

Text:

Topics List:
1. Option relationships.
2. Binomial option pricing.
3. Black-Scholes formula.
4. Market making and delta hedging.
5. Exotic options.
7. Interest rate models.