**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.