

EM054M5P

Program

PGE
PGE 2A - FINANCE - COMPTABILITE

UE

Derivatives

Semester

B

Discipline

Finance

Contact hours

27 H

Number of spots

45

ECTS

5

Open to visitors

Yes

Language



Coordinator



Ali Özdamak

List of lecturers

Lecturer(s)	Email	Contact hours - lecture
Ali ÖZDAKAK	ali.ozdakak@em-strasbourg.eu	27 h

Pedagogical contribution of the course to the program

LEARNING GOAL 1 : Students will master state-of-the-art knowledge and tools in management fields in general, as well as in areas specific to the specialized field of management.

Students will identify a business organization's operational and managerial challenges in a complex and evolving environment.

Students will understand state-of-the-art management concepts and tools and use them appropriately.

Students will implement appropriate methodologies to develop appropriate solutions for business issues.

Description

Derivates are actively traded on many exchanges around the world and used for several practical purposes. The derivatives market is huge and has become increasingly important in Finance over the past.

The objective of this course is to understand how derivatives work, how they are used, and how they are priced. Students will learn the mechanics and properties of options, useful trading strategies as well as financial engineering techniques. Along with this, basic valuation methods will be introduced.

Teaching methods

Face-to-face

- Lectures
- Tutorials

In group

- Exercises

Interaction

- Discussions/debates

Others

No items in this list have been checked.

Learning objectives

Cognitive domain

Upon completion of this course, students should be able to

- - (level 1) **Define** derivatives
 - - (level 1) **Recognize** arbitrage opportunities
 - - (level 1) **Outline** regulations of derivative markets
 - - (level 2) **Give example(s)** of derivatives use
 - - (level 2) **Describe** market mechanics
 - - (level 3) **Employ** and exploit trading strategies on equity options
 - - (level 4) **Distinguish** trading strategies according to their objective (speculation, hedging...) with derivatives
 - - (level 5) **Construct** strategies based on the call-put parity
-

Affective domain

Upon completion of this course, students should be able to

None affective domain have been associated with this course yet

Outline

1. Introduction

The nature of derivatives

Terminology

Use of derivatives examples

Weather, energy and insurance derivatives

2. Mechanics of options markets

Options positions and payoffs

Commissions, margins

Trading, regulations
Underlying assets

3. Properties of stock options

Types

Price determinants

Parity call-put

Early exercise

Impact of dividends

4. Trading strategies involving options

Spreads (bull-bear-box-butterfly-calendar)

Straddle-Strangle-Strip-Strap

No prerequisite has been provided

Knowledge in / Key concepts to master

Basic corporate finance knowledge

Teaching material

Mandatory tools for the course

No items in this list have been checked.

Documents in all formats

- Photocopies

Moodle platform

- Upload of class documents

- Assessments

Software

No items in this list have been checked.

Additional electronic platforms

No items in this list have been checked.

Recommended reading

Main reading material

Options, Futures, and Other Derivatives 10th Edition, Copyright © John C. Hull 2017, or any other version

Additional literature

No reading material has been provided.

EM Research: Be sure to mobilize at least one resource

Textbooks, case studies, translated material, etc. can be entered

No reading material has been provided.

Assessment

List of assessment methods

Intermediate assessment / continuous assessment 1 Class no. 4

Written / Individual / English / Weight : 50 %

This evaluation is used to measure LO1.1

Final evaluation Exam week

Written / Individual / English / Weight : 50 %

This evaluation is used to measure LO1.3