

Department	International College of Liberal Arts		
Semester	Fall 2023	Year Offered (Odd/Even/Every Year)	Every Year
Course Number	ECON315		
Course Title	Derivatives		
Prerequisites	ECON140 Financial Management * Exception for 2023AY: If the students have completed one of the below, they are eligible to register for the course in 2023AY 1) ECON360 Corporate Finance OR 2) ECON240 Investment		
Course Instructor	LIU Ming	Year Available (Grade Level)	3
Subject Area	Global Business & Economics	Number of Credits	3
Class Style	Lecture	Class Methods	Face to face

(NOTE 1) Class Methods are subject to change

(NOTE 2) Depending on the class size and the capacity of the facility, we may not be able to accommodate all students who wish to register for the course"

Course Description	<p>The course will introduce financial derivatives such as options, futures and forward, swaps, and credit default swaps (CDS). The content includes the definitions of these derivatives; how they are traded and priced in financial markets; why people trade them; and how they are used in risk management and speculation. Real-life examples such as stock options and index futures will be introduced in the classroom. Students should learn to form trading strategies from these derivatives.</p>
Class plan based on course evaluation from previous academic year	<p>Class plan for this academic year based on the student's course evaluation and feedback in the previous academic year.</p>
Course related to the instructor's practical experience (Summary of experience)	<p>This course is taught by an instructor with practical experience in the financial industry who can give some concrete examples of the usage of derivatives by financial institutions.</p>

Learning Goals	<p>On successful completion of this course, students will be able to:</p> <ul style="list-style-type: none"> -Understand the concepts of different types of financial derivatives. -Understand how derivatives are traded in financial markets. -Understand how to price the derivatives. -Understand how to form trading strategies using financial derivatives. -Understand how derivatives are used in risk management and speculation.
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iCLA Diploma Policy	DP1/DP2/DP3/DP4
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iCLA Diploma Policy

(DP1) To Value Knowledge – Having high oral and written communication skills to be able to both comprehend and transfer knowledge

(DP2) To Be Able to Adapt to a Changing World – Having critical, creative, problem-solving, intercultural skills, global and independent mindset to adopt to a changing world

(DP3) To Believe in Collaboration – Having a disposition to work effectively and inclusively in teams

(DP4) To Act from a Sense of Personal and Social Responsibility – Having good ethical and moral values to make positive impacts in the world

Active Learning Methods	Problem-Based Learnings/Discussion, Debate
Use of ICT in Class	UNIPA functions
Use of ICT outside Class	UNIPA functions
Expected study hours outside class	Generally, students are expected to spend about 1.5 hours or more preparing for each hour of class sessions.
Feedback Methods	<ol style="list-style-type: none"> 1) Provide an explanation of the solution and model answers to the questions after the homework and quizzes. 2) Hold individual meetings if the students request it.

Grading Criteria		
Grading Methods	Grading Weights	Grading Content
Quizzes	20%	
Class Participation	20%	
Exams	40%	
Homework Assignments	20%	

Required Textbook(s)	Options, Futures, and other derivatives, John Hull, 11th edition, Pearson
Other Reading Materials/URL	None
Plagiarism Policy	Plagiarism is the dishonest presentation of the work of others as if it were one's own. Duplicate submission is also treated as plagiarism. Depending on the nature of plagiarism, you may fail the assignment or the course. The repeated act of plagiarism will be reported to the University which may apply additional penalties.
Other Additional Notes	Class schedules may be slightly modified depending on the progress of the semester. This class will be conducted primarily as an interactive lecture. Students are expected to participate in class discussions, and be curious, thoughtful, and constructive. We will follow the textbook reasonably closely, and students should review the suggested study materials before joining the class. There will be two lectures per week of 75 minutes each. Students should not expect to pass the course if they fail to attend the lectures regularly. There will be regular in-class tests and assignments. This will help students understand better their learning and overall progress. Students are invited and encouraged to discuss all aspects of the course with the instructor and among each other. There will be a final exam for this course. The problems will be comparable in difficulty to in-class tests and assignments.

(NOTE 3) Class schedule is subject to change

Class Schedule	
Class Number	Content
Class 1	Module 1 – Introduction to derivative markets
Class 2	Introduction to derivative markets
Class 3	Introduction to derivative markets
Class 4	Introduction to derivative markets
Class 5	Module 2 - Forwards and futures
Class 6	Forwards and futures
Class 7	Forwards and futures
Class 8	Forwards and futures

Class 9	Forwards and futures
Class 10	Forwards and futures
Class 11	Module 3 - Options
Class 12	Options - stock options
Class 13	Options - stock options
Class 14	Options - stock options
Class 15	Options - combinations of different options
Class 16	Options - combinations of different options

Class 17	Options - pricing
Class 18	Options - pricing
Class 19	Options - pricing
Class 20	Options - pricing
Class 21	Module 4 - Interest rate derivatives
Class 22	Interest rate derivatives
Class 23	Interest rate derivatives
Class 24	Interest rate derivatives

Class 25	Interest rate derivatives
Class 26	Interest rate derivatives
Class 27	Module 5 - Credit derivatives
Class 28	Credit derivatives
Class 29	Credit derivatives
Class 30	Credit derivatives