

Baruch

Course Syllabus

Course Code/Sec. and Title	FALL19 FIN 0009/01C Introduction to Derivatives Market										
Schedule	<table border="1"><tr><td>Semester:</td><td>Fall 2019</td></tr><tr><td># of sessions/days of the week:</td><td>10 Sessions / Tuesdays</td></tr><tr><td>Dates:</td><td>9/17/2019 – 12/3/2019</td></tr><tr><td>Times:</td><td>6:15pm – 8.45pm</td></tr><tr><td>Location/Room#</td><td>TBA</td></tr></table>	Semester:	Fall 2019	# of sessions/days of the week:	10 Sessions / Tuesdays	Dates:	9/17/2019 – 12/3/2019	Times:	6:15pm – 8.45pm	Location/Room#	TBA
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Instructor Name	Chris Droussiotis										
Contact Information	Email: Christakis.Droussiotis@baruch.cuny.edu Tel: (908) 930-4725 (Voice and Text)										
Course Description	<p>The course will give an introductory overview of futures contracts, forward contracts, options and swaps. The course will help the student understand how to use this asset class as an instrument to hedge risk. The instructor will also provide various spreadsheets to help the student understand the analytics behind these financial instruments.</p> <p>All Lecture Notes/Homework/Class Projects /Reading material are found at the instructor's website at www.ProfessorDrou.com</p>										
Prerequisites	N/A										
Learning Objectives	<p>This course has two objectives:</p> <ol style="list-style-type: none">1. To explore the properties of those derivatives that are commonly encountered in practice such as forward contracts, futures contracts and options;2. To provide a general framework within which all derivatives can be valued and hedged.										
Materials/Books	<p>Textbook, Introduction to Derivatives and Risk Management 10th Edition Don M. Chance; Roberts Brooks Cengage Learning ISBN-13: 9781305104969 https://isbnsearch.org/isbn/9781305104969</p> <p>Optional Textbook: An Analytical Approach to Investments, Finance and Credit, Preliminary Edition Chris Droussiotis Cognella Publishing ISBN-13: 9781516549445 https://store.cognella.com/82667-1A-003</p>										

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Outline/ Assignments	Session	Date	Topic	Textbook – Read Lecture #	Homework	Comments
	1	Sep 17	Intro to Finance and Derivatives <ul style="list-style-type: none"> • Time/Value concepts • Views/Direction • Forward & Futures • Options & Swaps • Other Derivatives 	Chapter 1,2 / Lecture 1		
	2	Sep 24	<ul style="list-style-type: none"> • Basic Option Strategies 	Chapters 6 Lecture 2		
	3	Oct 1	<ul style="list-style-type: none"> • Advanced Option Strategies 	Chapters 7 Lecture 3	Homework #1 Due	
		Oct 8 & Oct 15	NO CLASS – INSTRUCTOR ON A 2-WEEK BUSINESS TRIP			
	4	Oct 22	<ul style="list-style-type: none"> • Principal of Option Pricing • Intro to Binomial Option Pricing Model (Method #1) 	Chapter 3 Lecture 4	Homework #2 Due	
	5	Oct 29	<ul style="list-style-type: none"> • Option Pricing Models: • The BOPM – Single and multi-stage approach • MID-TERM REVIEW 	Chapter 4 Lecture 5	Homework #3 Due	
	6	Nov 5	MID-TERM EXAM			
	7	Nov 12	<ul style="list-style-type: none"> • Option Pricing Models: • Black-Scholes Merton 	Chapter 5 Lecture 6		
	8	Nov 19	<ul style="list-style-type: none"> • Futures & Forwards 	Chapter 8 Lecture 7		
	9	Nov 26	<ul style="list-style-type: none"> • SWAPs & CDS • Final Exam Review 	Chapter 11	Homework #4 Due	
	10	Dec 3	FINAL EXAM			
	Please note: Recording of instructor lessons is strictly prohibited without the express consent of the instructor.					
Attendance Policy	Attendance for all sessions is required. If a student cannot attend one session, it will be the responsibility of the student to master the information covered. Repeated absences will result in a reduction of the student's grade. Attendance is mandatory for international students. Each student must attend all scheduled classes. Any Contemporary American Business Practices (CABP) student who has more than two absences in a class or any					

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	<p>full-time ESL student who misses more than 20% of scheduled sessions may result in a failing grade for the course.</p>																																																		
<p>GABP Failure Policy</p>	<p>If a Contemporary American Business Practices (CABP) student fails a course, they will need to repeat the course. The student is responsible for contacting the CAPS office within 10 days of the ending date of the course to make arrangements to re-take the course in a subsequent semester. A CABP student will not be eligible to apply for OPT or to receive a certificate unless all failed courses are subsequently passed.</p>																																																		
<p>Grading Criteria</p>	<table data-bbox="418 583 958 718"> <tr> <td>Attendance</td> <td>10 %</td> </tr> <tr> <td>Exam 1/ Exam 2 *</td> <td>70 %</td> </tr> <tr> <td>Homework</td> <td>15 %</td> </tr> <tr> <td>Class Participation</td> <td>5 %</td> </tr> </table> <hr/> <table data-bbox="418 751 917 949"> <tr> <td>A</td> <td>93.0-100.0</td> <td>C+</td> <td>77.1-79.9</td> </tr> <tr> <td>A-</td> <td>90.0-92.9</td> <td>C</td> <td>73.0-77.0</td> </tr> <tr> <td>B+</td> <td>87.1-89.9</td> <td>C-</td> <td>70.0-72.9</td> </tr> <tr> <td>B</td> <td>83.0-87.0</td> <td>D+</td> <td>67.1-69.9</td> </tr> <tr> <td>B-</td> <td>80.0-82.9</td> <td>D</td> <td>60.0-67.0</td> </tr> <tr> <td></td> <td></td> <td>F</td> <td>Below 60.0</td> </tr> </table> <p>A student has 30 days from the ending date of the course in which to contest their grade. Students should first contact their instructors for a breakdown of their final grade. If you still wish to appeal your grade, please email caps@baruch.cuny.edu</p> <p>35% for each Exam (Mid-Term and Final)</p> <p>*CD Factor: This is to give the benefit for students of significant improvement between Mid-Term Exam and Final. The Weighted averages are as follows:</p> <table border="1" data-bbox="328 1264 1390 1480"> <thead> <tr> <th>Improvement</th> <th>Mid-Term Weighting</th> <th>Final Exam Weighting</th> </tr> </thead> <tbody> <tr> <td>35% and higher</td> <td>15%</td> <td>55%</td> </tr> <tr> <td>30-34%</td> <td>20%</td> <td>50%</td> </tr> <tr> <td>25%-29%</td> <td>25%</td> <td>45%</td> </tr> <tr> <td>20%-24%</td> <td>30%</td> <td>40%</td> </tr> <tr> <td>19% or</td> <td>35%</td> <td>35%</td> </tr> </tbody> </table>	Attendance	10 %	Exam 1/ Exam 2 *	70 %	Homework	15 %	Class Participation	5 %	A	93.0-100.0	C+	77.1-79.9	A-	90.0-92.9	C	73.0-77.0	B+	87.1-89.9	C-	70.0-72.9	B	83.0-87.0	D+	67.1-69.9	B-	80.0-82.9	D	60.0-67.0			F	Below 60.0	Improvement	Mid-Term Weighting	Final Exam Weighting	35% and higher	15%	55%	30-34%	20%	50%	25%-29%	25%	45%	20%-24%	30%	40%	19% or	35%	35%
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<p>W</p>	<p>Students who do not wish to continue in a class must complete a WITHDRAWAL REQUEST FORM in the main office. They will receive a grade of "W" in the course.</p> <p>It is not designed to keep a student from failing a course. A "W" grade may be issued to a student up to the midpoint of the course, as long as no failing grades have been recorded. "W" grades are not applicable for international students who are studying on an F1/I-20 student visa, nor for students in the CABPs program.</p>																																																		
<p>AUD</p>	<p>Students who do not wish to receive a grade in the class must complete an AUDIT REQUEST FORM in the main CAPS office. The AUDIT is subject to approval by the Program Director and must be submitted prior to the third-class meeting (for a standard eight or ten session course) or prior to the second-class meeting (for a five or shorter course). A course taken on an AUD basis may NOT be used to satisfy the requirements of a certificate program. Once granted, the Audit option is not reversible.</p>																																																		

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<p>Pass/Fail</p>	<p>Students who wish to be graded on a Pass/Fail basis must complete a PASS/FAIL REQUEST FORM in the main CAPS office. The form is subject to approval subject to approval by the Program Director and must be submitted prior to the third-class meeting (for a standard eight or ten session course) or prior to the second-class meeting (for a five or shorter course). This course may NOT be used to satisfy the requirements of a certificate program (except for 11.25 hours or shorter Real Estate courses). Once granted, the Pass/Fail option is not reversible. The student must attend 80% of the classes and complete all course requirements in order to receive a “passing” grade. The following courses: Personal Development, Seminars and Certified Financial Planning, are always graded on a Pass/Fail basis</p>
<p>INC</p>	<p>This grade may NOT be used in ESL classes. Students with a justifiable cause may request a grade of INC, subject to approval by both the instructor and the Program Director. The student must complete all remaining assignment(s) within 30 days after the last day of class or the INC grade will change to a grade of “F”. Final exams must be taken within seven days of the ending date of the course. The grade of INC is intended for students with medical or emergency issues which prevented them from completing the requirements of the course within the regular term. Conditions which justify an INC are as follows:</p> <ul style="list-style-type: none"> ▪ There must be documented and extenuating circumstances (such as health issues or a death in the family). ▪ The student must have been attending class on a regular basis. ▪ Both the instructor and the Program Director must approve the INC. ▪ All course requirements must be completed <u>within 30 days</u>, after which the grade will change to an “F”. <p>If a student has missed a final exam and does not have a documented, extenuating circumstance, this does <u>not</u> qualify for an INC, nor a make-up exam. The student receives a grade of “F” for the final exam.</p>
<p>COMP</p>	<p>Awarded to students who have completed a preparation course, i.e. GMAT.</p>
<p>R</p>	<p>ESL & Modern Language Only: Course must be repeated until minimum proficiency is attained.</p>
<p>Academic dishonesty & Plagiarism</p>	<p>Academic sanctions in this class may range from an F on the assignment to an F in this course or expulsion from the program. A report of suspected academic dishonesty will be sent to the Program Director and the Associate Dean.</p> <p>Additional and Important information for students about the consequences of cheating and plagiarism: http://www.baruch.cuny.edu/academic/academic_honesty.html</p>
<p>Instructor Bio</p>	<p>Professor Droussiotis’ training and expertise is in the area of Investment Banking. Possessing over 30 years of experience by working for numerous corporations in various executive management positions at:</p> <ul style="list-style-type: none"> • Bank of America Merill Lynch • CIBC Oppenheimer • Mizuho Financial Group • Bank of Tokyo-Mitsubishi Trust UFJ • Sumitomo Mitsui Banking Corporation • Mitsui Nevitt Banking Corporation <p>Professor Droussiotis is a former Managing Director, General Manager and the Head of the Leverage Finance, Private Equity Sponsor Group & Structured Finance Department at Sumitomo Mitsui Banking Corporation managing a loan portfolio of over \$8 billion of large cap and middle market leveraged loans, as well as investments in SPV funds, CLOs and BDCs that are backed by leveraged loans and high yield bonds.</p>

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Just last April 2018, Professor Droussiotis left SMBC and join as a Senior Managing Partner of Kinisis Ventures Limited (www.kinisisventures.com), a business accelerator company that helps international company start-ups expand in the U.S. markets. This year he published a text book "The Analytical Approach to Finance, Investments and Credit" - Cognella Academic Publications (www.cognella.com).

Academic Experience

Adjunct Professor for Columbia University's School of Professional Studies, Fordham University's Gabelli School of Business, Baruch College's Economics & Finance Department in NY, Baruch College's Continuing and Professional Studies (CAPS), Stillman School of Business at Seton Hall and Fairleigh Dickinson University's International School of Hospitality and Tourism Management in NJ. Courses include Quantitative Analysis in Business, Investment Analysis, Managerial Finance, Commercial Credit & Banking, Debt & Fixed Income Markets, Derivative Strategies, Business Statistics, Equity Valuation and Advanced New Venture Management.

Professor Droussiotis has also given lectures on various subjects including Leveraged Buyouts, Credit Markets, Loan Syndications, Capital Markets at Baruch College, Bank of China, Cendant Corporation, China Construction Bank, Wyndham Worldwide, Travelport and the Industrial Bank of Japan, etc.

Specialties

Leveraged Finance, Loan Syndication and Private Placements, Quantitative Analysis including Portfolio Risk, Financial Modeling, Credit Analysis, Equity Return Analysis and CLOs. Professor Droussiotis is a member of various associations such as Hellenic American Bankers Association (HABA) and the Mathematical Association of America (MAA).