

Fordham University

GSB-FINANCE

Fall 2022

Instructor:	Christakis (Chris) Droussiotis
Office Hours:	Wednesday, 4:00-5:30pm
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Course: FNBU-3446 - FUTURES and OPTIONS

Course Description:

The course is designed to introduce theoretical and practical applications of financial futures, options, and other derivatives such as Swaps, Swaptions and FRAs. Over the last 30 plus years, with the expansion of hedge funds, the markets for these asset classes have grown enormously and has generated innovative techniques for hedging, speculating or arbitraging investments. Derivatives have become one of the most important tools of modern finance. We will examine the institutional aspects of futures, options and swap markets and provide an analytical foundation for the pricing these instruments. The subject matter requires relatively greater use of quantitative methods including the binomial option pricing model as well as the classic model of Black-Scholes-Merton.

Required Text:

An Introduction to Derivatives and Risk Management

Don Chance & Robert Brooks, Cengage Publishers (Southwestern)

ISBN-13: 9781305104969

Bookstore

Optional Books:

"An Analytical Approach to Investments, Finance and Credit" First Edition

Chris Droussiotis, Cognella Academic Publishing

978-1-935551-66-9

Materials/Handouts to be provided by the Instructor (can be found on www.ProfessorDrou.com under Fordham – Derivatives page including Lecture Notes, Spreadsheets, Homework Assignments, Reading Assignments and Links.

Course Requirements:

Attendance (10%):

Students are expected to attend on-line or on-campus and to participate in classroom discussions. It is important to attend every class because the Exams are based on the instructor's lectures and classroom notes. Class participation will count as part of the course grade. Attendance accounts for 10% of your grade.

Homework (20%):

Reading assignments and application projects will be assigned. Check Homework assignments and datelines on the professor’s website at www.ProfessorDrou.com under Fordham - Derivatives. Homework accounts for 10% of your grade. Also check datelines on the syllabus schedule below. Please hand in a hard copy of your homework on the due date. If you miss your class, please either email the professor the homework or upload on the professor’s Dropbox found on the website and bring a hard copy the following class.

Exams (70%):

There will be a midterm and a final exam.

Midterm Studies (35%):

Final Exam Studies (35%).

Grading:

Mid Term Exam *	35%
Final Exam*	35%
Homework	20%
Attendance	<u>10%</u>
Total	100%

***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 (based on pre midterm curve score):

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 lower (including negative)	35%	35%

Grading Scale:

A	93 - 100	C+	77 - 79
A-	90 - 92	C	73 - 76
B+	87 - 89	C-	70 - 72
B	83 - 86	D	60 – 69
B-	80 - 82	F	Below 60

ACADEMIC INTEGRITY POLICY

Students enrolled at Fordham University are expected to maintain the highest standards of academic honesty. Students have the responsibility to each other to make known the existence of academic dishonesty to their course instructor, and then, if necessary, the

department chairperson/school director or the academic dean of their college. Course instructors have the added responsibility to state in advance in their syllabi any special policies and procedures concerning examinations and other academic exercises specific to their courses. Students should request this information if not distributed by the instructor. Academic dishonesty includes, but is not necessarily limited to, the following:

- **Cheating** – Giving or receiving unauthorized assistance in any academic exercise or examination. Using or attempting to use any unauthorized materials, information or study aids in an examination or academic exercise.
- **Plagiarism** – Representing the ideas or language of others as one’s own
- **Falsification** – Falsifying or inventing any information, data or citation in an academic exercise.
- **Multiple Submissions** – Submitting substantial portions of any academic exercise more than once for credit without the prior authorization and approval of the current instructor.
- **Complicity** – Facilitating any of the above actions or performing work that another student then presents as his or her assignment.
- **Interference** – Interfering with the ability of a student to perform his or her assignments.

Sanctions: Any student found guilty of academic dishonesty will, for the first offense, receive one or a combination of the following penalties:

1. No credit (0) or F (failure) for the academic exercise.
2. Reduced grade for the course.
3. An F (failure) in the course that is identified on the student’s permanent record card as permanent and cannot be removed.
4. Recommendation for academic probation to the dean’s office. In cases of interference and complicity, when the student is not registered in the affected course, the incident may be recorded on the student’s permanent record. In any case, the incident and penalty will be recorded in the student’s file maintained in the campus Office of Enrollment Services.

For a second offense of academic dishonesty, a student will be subject to any combination of the above sanctions and, with concurrence of the academic dean, one of the following:

1. Suspension from the University for one year. Readmission will be contingent upon the approval of the academic dean.
2. Dismissal from the University.

Course Schedule and Course Calendar can be found at www.professordrou.com