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# Capital University of Economics and Business

## Overseas Chinese College

### Course Syllabus

**Year and Semester** 2021 Spring (March 1, 2021 - June 25, 2020)

**Course Name** Derivatives

**Course Code** FI305

**Course Type**

- General Education (Required)
- General Education (Elective)
- Professional Course (Required)
- Professional Course (Elective)
- Basic Disciplinary Course

**Course Credits** 3

**Course Hours** 48

**Instructor** Celia. Zhang

**Contact Information** Office: C203

Tele: (010) 8395 1085

Email: celia@cueb.edu.cn

**Office Hour** TBD

**Learning Centre** TBD

<u>Course</u>	<u>Grade/Section</u>	<u>Place</u>	<u>Time</u>
	2018BA/Y01:	A203	T:13:30-15:20/F:11:10-12:00
	Y02:	A102/A108	M:13:30-15:20/W:8:00-8:50

#### **Textbook**

John C.Hull (2016) “*Fundamentals of Futures and Option Markets*” 8<sup>th</sup> ed. China Machine Press

ISBN: 978-7-111-54214-8

#### **Course Description**

This course presents a framework for fundamentals of derivative market, it covers forward, futures, swaps and options.

#### **Student Learning Objectives**

After study of this course, students should able to have good knowledge of how these derivatives work, how they are used, how they are priced and how financial institutions hedge their risk when they trade the products in derivative market.

#### **Teaching Methods**

This course contains online and offline lectures, discussions, homework, quizzes, presentation, and exams.

### Grade Criterion

<b>Component</b>	<b>Weight</b>	<b>Description</b>
Final Exam	20%	A final examination will be given based on all of the contents of the course. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems. Students should rely primarily on homework assignments and quizzes to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in the course. The test paper may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems.
Homework	10%	Most of the assigned homework is taken from the exercises in the textbook. Assignments will be collected on the date indicated. Late assignments will not be accepted. Graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	20%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures. Each group needs to finish a PPT related to their topic and hand in the related resources to the teacher before the presentation.
Participation	10%	Group discussions of the course material are an important part of the learning process in this course. Students are expected to make a meaningful contribution to the class, whether by asking questions, responding to questions, delivering presentations or contributing in other ways to class discussion.
Attendance	10%	Refer to attendance policy listed below
<b>Total</b>	<b>100%</b>	

### Detailed Grade Computation

	<b>Before Midterm</b>	<b>After Midterm</b>
Attendance	5%	5%
Participation	5%	5%
Homework		10%
Quizzes	10%	10%
Presentation		10%
Midterm test	20%	
Final exam		20%
<b>Total</b>	<b>40%</b>	<b>60%</b>

### Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B-
80-82	C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D
62-60	F 0- 59				

### Exam Schedule

Midterm Test: April 26 – April 30, 2021

Final Exam: June 21 – June 25, 2021

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## **Assessment of Student Performance**

### ***[?] Self-Study and Reading ability Practice***

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

### ***[?] Homework***

Students should finish marked homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

### ***[?] Attendance***

The course covers a great deal of material, so attending every class session is very important for performing well.

- ◆ Being late for 15 minutes or more is considered an absence.
- ◆ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.
- ◆ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly but students are welcome to continue attending classes.
- ◆ An incomplete grade (I) will be considered in case of medical or family emergencies.

### ***[?] Participation***

- ◆ Students should participate in classes actively. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ◆ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ◆ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ◆ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ◆ All above behaviors will be solely evaluated by the instructor for scoring.

### ***[?] Textbook and Calculator***

Students must bring the textbook to class.

## Course Outline

Week	Date	Schedule
1	Y01: 2 & 5 March 2021 Y02: 1 & 3 March 2021	Chapter 1: Introduction (Online Teaching)
2	Y01: 9&12 March 2021 Y02: 8 &10March 2021	Chapter 3: Hedging Strategies using Futures (Online Teaching)
3	Y01: 16&19 March 2021 Y02: 15&17 March 2021	Chapter 3: Hedging Strategies using Futures (Online Teaching & Exercise)
4	Y01: 23&26 March 2021 Y02: 22&24 March 2021	Chapter 4: Interest Rate (Class Teaching)
5	Y01: 30 March/2 April Y02: 29&31 March 2021	Chapter 5: Determination of Forward and Futures Prices (Class Teaching)
6	Y01: 6&9 April 2021 Y02: 5&7 April 2021	Chapter 5: Determination of Forward and Futures Prices (Class Teaching & Quiz I) Chapter 6: Interest Rate Futures <b>Qing Ming Festival--3-5 April 2021</b>
7	Y01: 13 & 16 April 2021 Y02: 12&14 April 2021	Chapter 6: Interest Rate Futures <b>Spring Sports Day--16 April 2021</b>
8	Y01: 20 & 23 April 2021 Y02: 19 & 21 April 2021	Chapter 7: Swaps Mid-term review
9	Y01: 27 & 30 April 2021 Y02: 26 & 28 April 2021	<b>Mid-terms &amp; Mid-term revision</b>
10	Y01: 4 & 7 May 2021 Y02: 3 & 5 May 2021	Chapter 7: Swaps <b>Labor's day -- 1-5 May 2021</b>
11	Y01: 11 & 14 May 2021	Chapter 7: Swaps

	Y02: 10 & 12 May 2021	Chapter 9: Mechanics of Options Markets
12	Y01: 18 & 21 May 2021 Y02: 17 & 19 May 2021	Chapter 9: Mechanics of Options Markets Chapter 10: Properties of Options
13	Y01: 25 & 28 May 2021 Y02: 24 & 26 May 2021	Chapter 10: Properties of Options Chapter 12: Introduction to Binomial Trees
14	Y01: 25 & 28 May 2021 Y02: 31 May & 2 June 2021	Chapter 12: Introduction to Binomial Trees Quiz II
15	Y01: 8 & 11 June 2021 Y02: 7 & 9 June 2021	Quiz analysis and Presentation
16	Y01: 15 & 18 June 2021 Y02: 14 & 16 June 2021	Presentation <b>Dragon boat's Festival --12-14 June 2021</b>

**Note:**

*During the first three online teaching weeks, the MosoInk will be the main platform to deliver the prerecorded lectures, attendance checking and organize online discussions, Wechat group will also available to be used as an immediate and urgent communication tool between the students and lecturer. After the online class is switch back to school, both platform that mentioned above will be used continuously to support lecturer's other teaching activities, such as teaching material sharing and course work assigning and collecting.*

*Chapter 2 , 8 & 11 are left for **self-study**, which are the students' duty to learn and understand, they may also be included in the quizzes or exams.*

**Teacher's Office Hour**

- ◆ The instructor's office hours are shown on the front of the office door.
- ◆ Students should use the instructor's office hours and learning center to ask questions or talk with the instructor once per week for good communication and effective learning, which is recorded in the students' participation.
- ◆ The time can be scheduled by instructors or students, or both.

**Cheating and Plagiarism**

Cheating and plagiarism are not tolerated. If any thoughts or writings of another person are used in a relevant assessment, they must be clearly identified (usually using quotation marks) and the source noted. Any student caught cheating or engaging in plagiarism on

a relevant assessment will be given a mark of zero (0) for the particular work, and will be subject to disciplinary action in accordance with university policy.

### **Important Dates**

<b>Spring Semester, 2021</b>	<b>Feb 28, 2021— July 18, 2021</b>
Feb. 28	Registration
Mar. 1	Classes Begin
Apr.4	Qing Ming Festival
Apr.16	Spring Sports
Apr.26 -30	Midterm Test (tentative)
May 1	Labor Day
June 14	Dragon-Boat Festival
June 21-25	Final Exams for Sophomores and Juniors
June 28-July18	Social Practice for Sophomores and Juniors (tentative)
July 3-11	Revision (Freshmen)
July 12-16	Final Exam Period (Freshmen)
July 19	Summer Vacation Begins

*Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified of any changes.*

**Instructor:** \_\_\_\_\_

**Department Head:** \_\_\_\_\_