

Capital University of Economics & Business
Overseas Chinese College
Course Syllabus

Course Title: Derivatives and Alternative Investments
Course Code: FIM420
Semester: 2018 Spring (March 5, 2018— July 22, 2018)
Course Credit: 4
Instructor: Professor Eunice Wei
E-mail: eunicewei2013@163.com
Office Hours: Tue 9-10,15:30-16:30 Thur13-15, Fri 9:40-10:10,15:30-17
Learning Center: Mon 6-8pm Wed 10-12
Office : C203
Telephone: 8395 1085
Reference books: CFA Level 1 Volume 6, by CFA institute
CFA Level 1 Book 5, by Kaplan Schweser
Options, Futures and Other Derivatives 9th Edition,
by John C. Hull, China Machine Press
An Introduction to Investment Banks, Hedge Funds, and Private
Equity, by David P. Stowell, China Machine Press

Course Description

This course entails derivatives and alternative investment. Derivative instruments such as forward, futures, swap and option are introduced and discussed, as well as pricing and valuation of derivatives. The basics of alternative investment vehicles such as hedge funds, private equity, real estate, commodities and other alternative investments instruments will also be covered.

Learning objectives

After completing this course students should be able to

1. Explain basic characteristics of different types of derivatives;
2. Understand the pricing and valuation of derivatives based on no-arbitrage condition;
3. Demonstrate the application of derivatives in risk management;
4. Discuss the basics of alternative investments vehicles.

Teaching Methods

This course contains lectures, class discussions, assignments, homework, quizzes, presentation, and exams.

Study time

To do well in this course, you need to devote time outside of class for practice and proper preparation. A typical student should need 10 hours of no-class time each week during a 16-week semester. I encourage all of you to do all assigned homework and practice extra questions.

Instructor's Office Hours

During office hours, students may check homework solutions, ask questions and discuss any other aspect of the course with the instructor in Chinese. Please DO take advantage of these resources. And if these hours conflict with your schedule, please arrange meeting with me at another time that is more convenient.

Attendance and Class Participation

Regular attendance and class participation are expected of all students. Because the course covers a great deal of material, attending every class session is very important for performing well. **Attendance which is less than 2/3(67%) of the total teaching hours will cause an F (a failing grade) directly.**

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.

Homework Assignments

If you do not attempt to complete the assigned homework, it is likely that your performance in the course will suffer. It is expected that assignments will be completed prior to the start of class. Assignments will be collected at the beginning of class and late assignments will not be accepted.

Presentation

Students are to be fitted into group of no more than 4 students. At the end of the semester, study groups will present analysis report for their selected project. The presentation will last between 25-30 minutes and will be a group presentation. Every member of the group must participate in the presentation.

Quizzes and Examinations

There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. Quizzes will test your knowledge of both concepts and the application of those concepts. Midterm test and final exam will be composed of multiple-choice questions.

Academic Integrity

Any student caught cheating on homework assignments or tests will receive an automatic grade of zero on that assignment. A second violation will result in disciplinary action in accordance with university policy. Any type of cheating on the exam will result in a nullification of the exam paper.

Classroom Policy

1. No unauthorized use of electronic devices such as cell phones, tablet computer during class time.
2. Students are expected to read the textbook and attend classes, take well-organized notes and make a serious commitment to academic excellence.
3. Please speak English rather than Chinese in class.

4. Students are not allowed to attend class without textbooks.
5. Respect classmates' ideas, opinions.

Course Evaluation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Assignments	5%	5%
Quizzes	5%	10%
Mid-Term Test	20%	
Presentation		15%
Final exam		20%
Total	40%	60%

Grading scheme

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

Course schedule

Week 1-3	Derivative Markets and Instruments
Week 4-6	Basics of Derivative Pricing and Valuation
Week 7-8	Risk Management Application of Option Strategies
Week 9	Revision & Quiz
Week 10a	Midterm Test
Week 10b-11	Cont. Risk Management Application of Option Strategies
Week 12-13	Introduction to Alternative Investments
Week 14	Course Revision
Week 15-16	Presentation; Quiz
Week 17	Final exam

Note: Over the course of the semester, every attempt will be made to follow the weekly schedule listed in the syllabus however it may be adjusted for the overall class progress. Any departures from the syllabus will be announced in class. Chapters that are not mentioned and taught in the plan might be tested as well so students are strongly advised to SELF-STUDY these contents.

执笔人: Eunice Wei

系教学主任审核签名: